



บริษัท เจนเนอรัล เอนจิเนียริง จำกัด (มหาชน)
GENERAL ENGINEERING PUBLIC COMPANY LIMITED

รายงานประจำปี 2553
ANNUAL REPORT 2010



Property & Construction / Construction Materials

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Message from President

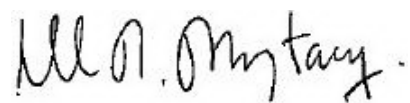
In spite of impressive growth of overall Thai economy in 2010 that was derived from high investment in public and private sector, export which was rapidly grew and domestic consumption increased, business of construction materials was uptrend in early 2010; however, uprising in the second quarter of 2010 damaged confidential to both domestic and foreign investors for a while. So, many businesses had delayed investments further and all investors came back after their confidential built in late 2010. Sales in construction materials were gradually increased again after that event.

However, the competition of construction material market was very high, so strategy of lower pricing was necessary to compete in each others. But raw materials such as steel and oil were rising and their trend prices were increasing throughout the year due to high demand of construction in foreign countries, particularly in China rapidly growing in the first rank of the world.

Thus, the company has to adjust our strategies to be stronger in this high completion such as matching raw material price with our product price and also build confident to customers to ensure our product quality and keep our reputation in long period of time. The company always avoids any competition with low pricing without quality.

In 2011, the growth of construction materials would come from demand of construction business in both public and private sector that continues to keep higher from last year. So, the company will grow up in sales and profit this year as well as the company will seek new business to earn higher gross profit and also diversify our risk. Our construction materials are still be the main products for us because of our long experience for 48 years.

In the name of company's directors, we would say thank you to our customers and all shareholders who support the company well and we also thank to directors, management team, and all staffs as a crucial part to share and scarify their great work to the company.



M.L.Tossuwan Thongtham

Chairman of The Board

General Information

COMPANY INFORMATION

Company	:	General Engineering Public Company Limited
Nature of Business	:	Building Materials, Prestressed concrete pileproducts, Concrete slab and wall products, Fiber glass reinforced concrete product (GRC), Being non-shrink cement and In-situ precast concrete slab without beams , Installation and service Bridge joint material
Head Office	:	44/2, Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000
	Telephone	: 66 (0) 2501-2020, 501-1055
	Fax	: 66 (0) 2501-2134, 501-2468
	E-mail	: gel@gel.co.th
	Homepage	: www.gel.co.th
Registered Share Capital	:	Baht 4,895,364,463
Paid – up Capital	:	Baht 3,756,477,215
Accounting period	:	1 January - 31 December
Share Registrar	:	Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building, Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone : 66 (0) 2640-0777, (0) 2661-9191 Fax : 66(0) 2264-0789-90, (0) 2661-9192
The Company's Auditor	:	BPR Audit and Advisory Co.,Ltd. 152 Chartered Square Bldg, 12A Floor, Suite 08, North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand. Telephone : 66 (0) 2634-5398 Fax : 66 (0) 2634-5399

COMPANY INFORMATION SUBSIDIARY

1) Company	:	G.E.L. General Engineering Service Co., Ltd.
Nature of Business	:	Installation and driving Pile service
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Ratio Shareholders	:	99.99%
2) Company	:	Chut Chieb Co., Ltd.
Nature of Business	:	Real Estate For rental
Head Office	:	44/2 Moo 2, Tivanoon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephon : 66 (0) 2501-2020, 501-1055 Fax : 66 (0) 2501-2134, 501-2468
Ratio Shareholders	:	95.45%

Operation Performance

(UNIT : MILLION BAHT)

		2553	2552	2551	2550
<u>OPERATING RESULTS</u>					
SALES		946.37	724.08	806.2	1,090.77
TOTAL REVENUES		957.69	732.31	823	1,124.21
COST OF SALES		847.89	678.61	681.17	936.15
GROSS PROFIT		98.48	45.47	125.03	154.62
NET PROFIT AND LOSS		(88.70)	(122.20)	(64.49)	59.62
<u>FINANCIAL POSITION</u>					
TOTAL ASSETS		1,141.22	1,068.75	863.27	919.94
TOTAL LIABILITIES		413.71	425.04	335.6	404.6
ISSUED AND PAID-UP CAPITAL		3,756.48	939.12	516.81	476.81
TOTAL SHAREHOLDERS' EQUITY		727.52	643.72	527.67	515.34
CASH AND CASH EQUIVALENTS		162.77	230.72	58.88	83.47
<u>DATA PER SHARE</u>					
EARNING PER SHARE		(0.05)	(0.24)	(0.13)	0.12
DIVIDEND PER SHARE					
BOOK VALUE PER SHARE		0.19	0.69	1.02	1.08
PAR VALUE PER SHARE		1.00	1.00	1.00	1.00
<u>FINANCIAL RATIOS</u>					
CURRENT RATIO	TIMES	2.41	2.1	1.53	1.39
DEBT TO EQUITY RATIO	TIMES	0.57	0.66	0.64	0.79
RATIO OF GROSS PROFIT	%	10.41	6.28	15.51	14.18
RATIO OF NET PROFIT	%	N/A	N/A	N/A	5.24
RATE OF RETURN ON ASSETS	%	N/A	N/A	N/A	6.79
RATE OF RETURN ON EQUITY	%	N/A	N/A	N/A	12.19

BOARD OF DIRECTORS

1. BOARD OF DIRECTORS GENERAL ENGINEERING PUBLIC COMPANY LIMITED

Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
1. M.L.Tossuwan Thongtaem	Chairman of the Board and Director	58	- Mini M.B.A. , University of the Thai Chamber of Commerce	-	Oct.2010 - present 2007 - present 2004 - 2007	Chairman of the Board and Director Director Executive Director.	General Engineering Public Company Limited Ban Nava Company Limited Napa Resort & Spa Company Limited
2. Mr.Amnat Tangurimarn	Director	52	- Bachelor's Degree of Laws, Ramkhamheang University - A Barrister at Law, The Bar Association - Master Degree of Administration, Dhurakkj Pundit University	-	Oct.2010 - present 2005 - present 2005 - present 2003 - present 2001 - present 2000 - present	Director Executive Director. Executive Director. Executive Director. Director Executive Director.	General Engineering Public Company Limited Ek Tana Engineering Limited A.C.P. Consultant Company Limited Chiang Mai New Lux Company Limited A.S.Law and Business Company Limited Fish Latex Planer Company Limited
3. Mr.Apinunthakan Pongsathabordee	Director	35	-Bachelor's degree of Laws Ramkhamhaeng University	-	Oct.2010 - present 2010 - present 2010 - present Oct.2009-May.2010 2007 - Sep.2009 2004 - 2007	Director Lawyer Lawyer Lawyer Lawyer Lawyer	General Engineering Public Company Limited Comseven International Company Limited Bunglung office lawyer Grand Prix International Company Limited Comseven International Company Limited Preeda sudto office Lawyer and business



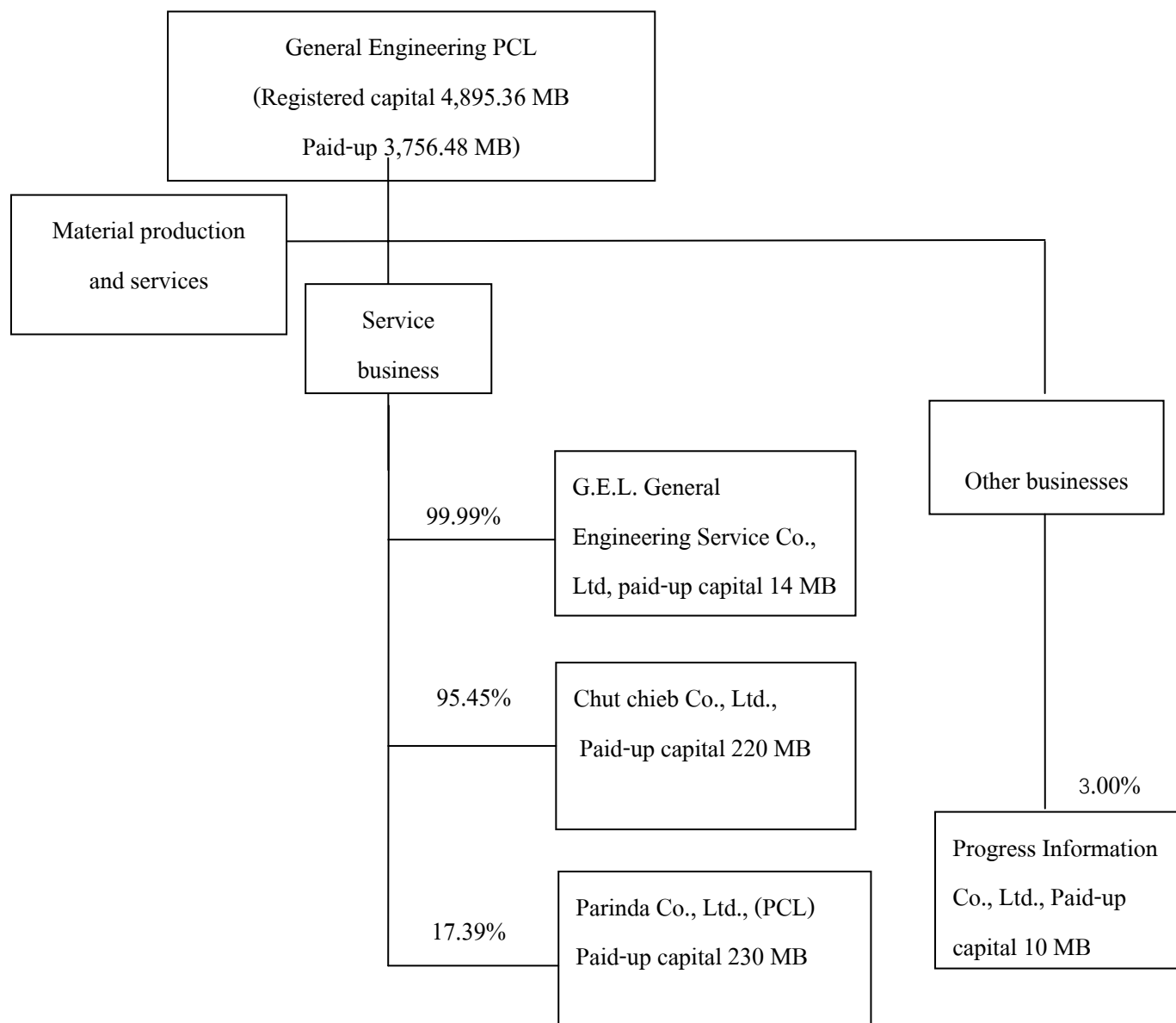
Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
4. Mr.Sorasak Vongchinsrisakul	Director	40	- Master's degree of business administration Oklahoma City University - Bachelor's faculty trader yasat and Account & Finance Chulalongkorn University	-	Oct.2010 - present present present present 1997 - 2004	Director Managing director Managing director Managing director Executive Director.	General Engineering Public Company Limited Alter Airconditioning Company Limited Asian Modular Systems(Thailand) Company Limited Air-care Co.,Ltd. Shin -Ko shell Co.,Ltd (Thailand)
5. Mr.Chamnan Chotcomwongse	Chairman of Auditor Committee and Independent Director	60	- Master's degree academic account Thammasat University	-	Oct.2010 - present 1999 - present	Chairman of Auditor Committee and Independent Senior Director of Internal Audit	General Engineering Public Company Limited Loxley Public Company Limited
6. Mr.Takorn Laohapongchana	Auditor Committee and Independent Director	30	- Master's degree in marketing and Management expertise. University of Canberra, Canberra, Australia	-	Oct.2010 - present 2009 - present 2010 - present 2010 - present	Auditor Committee and Independent Director Assistant Managing Director Director Director	General Engineering Public Company Limited Chao Phaya Insurance Public Company Limited TRJ Solution Company Limited Champion Enterprise (1980) Company Limited
7. Mr.Kitja Charoenkiatkong	Auditor Committee	42	- Bachelor of Arts Kasem Bundit University	-	Oct.2010 - present 1994 - present 1993 - 1994 1992 - 1993	Auditor Committee Reporter-soldier and stability Reporter-politics Reporter General Inspector of wires	General Engineering Public Company Limited Live News newspaper Live News newspaper Live News newspaper

Name	Position	Age (Years)	Education	Share holding (%)	Working Experience for the Past 5 years		
					Experience	Position	Company
8. Mr.Theerawat Kiatsomphob	Executive Director	53	- Bachelor of Arts , Ramkhamhaeng University - Ex MBA, University of the Thai Chamber of Commerce		Oct.2010-Feb.2011 May.2010-Oct.2010 2002 – present	Executive Director Chief Executive Officer Managing director	General Engineering Public Company Limited General Engineering Public Company Limited Mida Leasing Public Company Limited
9. Mr.Sokul Chuepakdee	Executive Vice President	47	- B.Eng. Chulalongkorn University - MBA. Thammasat University	-	2009 - present 1998 - 2009	Executive Vice President Senior Business Unit Manager	General Engineering Public Company Limited Eastern Water Resources Development and Management Public Company Limited
10. Mr.Kreangsak Chana	Executive Vice President	55	- Bachelor Degree of Engineering, Kasetsart University - Directors Certification Program (DCP 92/2007)	-	2007 - present 2003 - 2006 2000 - 2003	Executive Vice President Senior Vice President Vice President	General Engineering Public Company Limited General Engineering Public Company Limited General Engineering Public Company Limited
11. Mrs.Wisadja Kochsena	Vice President of the Accounting & Finance	41	- Bachelor Degree of Accounting, Ramkhamhaeng University	-	Nov.2008 - present 1994 - 2008	Vice President of the Accounting & Finance Accounting Manager	General Engineering Public Company Limited P Plus P Public Company Limited
12. Mr.Sarun Wiangkhamma	Assistant Vice President	51	- MSc. Civil & Structural Engineering, Universiti Kebangsaan Malaysia	-	2008 - present 2007 - 2008 2006 - 2007	Assistant Vice President Senior Manager Manager	General Engineering Public Company Limited General Engineering Public Company Limited General Engineering Public Company Limited

Business Structure of General Engineering Group

Shareholding structure of the General Engineering PCL

As of 31 December 2010



Remarks: There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%.

Nature of Business

Business Operation of Each Product Line

1. Description of Products and Services

- Projects for construction material manufacturing and service businesses are implemented by General Engineering Public Company Limited.

Product Group	Product Name	Properties	Usage
Prestressed concrete pile products	<ul style="list-style-type: none"> ● Rectangular pile ● Hollow rectangular pile ● I-shape pile 	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, universities, airports, housing developments and bridge works etc.
Concrete slab and wall products	● Fiber glass reinforced concrete product (GRC)	Fiberglass reinforced concrete without steel reinforcement can make products in various shapes with resolution inform. They are attractive light-weighted and easy for installation. It is difficult for ordinary concrete to do so.	For a customer who wants to use a product of a unique and specific description.
	● Prefabricated Concrete Wall	Quality and standard can be regularly controlled on the whole piece for quick construction as designed by the project owner.	Factory,department store,high-rise building,stadium etc.
	● Semi-finished slab	Designed for use on a slab with a column distance wider than normal standard, it can replace model timber and support weights as needed by the designer. It can be installed quickly.	Factory work, bridge work

Product Group	Product Name	Properties	Usage
	<ul style="list-style-type: none"> In-situ precast Concrete slab without beams 	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few columns and more space for use and that the construction can be made quickly.	Car park building, High rise building floor
Special products	<ul style="list-style-type: none"> DENKA special cement BRISTAR Bridge joint material Soundproof wall 	<p>Being non-shrink cement and supporting a high pressure,used for machinery installation works. It is the one and only product of tens of products, which has passed quality tests and granted approval for use in the installation of generators of the Electricity Generating Authority of Thailand.</p> <p>Replacing explosives to destroy stones or reinforced concrete, it is not hazardous to the neighboring areas and the environment.</p> <p>Being a material used to join bridge slabs to enable vehicles to pass smoothly onto the space between bridge slabs without being interrupted and without making a noise, while the bridge can still move freely.</p> <p>Being a product used for the prevention of noise pollution resulting from traffic or machinery</p>	<p>EGAT power plants, IPP and SPP power Plants petro chemical Plants, oil refineries, Steel works, paper factories sugar mills, etc.</p> <p>Stone destroying destruction of stones blocking the water works regarding the demolition and destruction of the reinforced concrete</p> <p>Expressways, elevated roads, and bridges across rivers</p> <p>Special expressways, highways,underground tunnels, power plants and factories</p>

* Being a product with quality certification under the ISO 9001 : 2008 Standard

2. Lists of subsidiary & associated companies as of 31 December 2010

Name/Address	Type of Business	%	Paid-up Capital (Million Baht)	At Cost (Million Baht)	At Equity (Million Baht)
Subsidiaries Companies					
G.E.L. General Engineering Service Co.,Ltd. 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Installation and driving Pile service	99.99	14.00	13.99	13.99
Chut Chieb Co.,Ltd. 44/2 Moo2, Tivanon Road, Tambon Bangkadee, Ampoe Mung Pathumthani Province 12000 Telephone : 66 (0)2501-2020 Fax : 66 (0)2501-2134	Real Estate For rental	95.45	220	210	198.89
Prinda Pcl. 151 Moo7, Soi Kirinakorn Sukumvit Road, Tambon Huykapi, Ampoe Muang Cholburi Province 2000 Telephone : (038) 276-800 Fax : (038) 276-800	Sand and Aggregate for construction	17.39	230.00	87.13	-
Others					
Progress Information Co.,Ltd. 487/1 Sriyutthaya Road. Ploenchit Lumpini Bangkok 10400 Telephone : 66 (0)2642-7242 Fax : 66 (0)642-7243	Computer Data And Software	3.00	10.00	0.30	-

INCOME STRUCTURE

The income structure from business operation of the company with subsidiary companies from the year 2008 to the end of 2010 could be divided by business groups as follows:

Type of Business	Operated by	% of Equity Held by the company	Year 2010		Year 2009		Year 2008	
			Million Baht	%	Million Baht	%	Million Baht	%
Construction material								
- Prestressed Concrete Pile	General	-	372.42	38.89	235.27	32.13	418.10	50.79
- Special Concrete	Engineering		199.01	20.78	174.33	23.81	209.34	25.43
- Special Products	Pcl.		17.97	1.88	29.58	4.04	61.08	7.42
- Special Projects			254.99	26.62	253.48	34.61	86.50	10.51
Total			844.39	88.17	692.66	94.59	775.02	94.15
Income from service	GEL General Engineering Service Co.,Ltd.	99.99	43.58	4.55	0.33	0.05	-	
Income from selling and service			887.97	92.72	692.99	94.64	775.02	94.15
Income from shop rental and service charges	Chut Chieb Co.,Ltd.	95.45	58.40	6.10	31.09	4.24	31.18	3.81
Investment Business								
Turn particulars of allowance for doubtful debts	General Engineering Pcl.						4.67	0.57
Turn particulars from assets impairment								
And investment								
Profit, loss from selling			0.07	0.01	0.93	0.13	1.51	0.18
Income from selling scrap					0.77	0.11	2.84	0.34
Receivable dividend							0.50	0.06
Receivable interest and discounts			7.03	0.73	4.20	0.57	3.18	0.39
Profit from exchange rate					0.08	0.01		
Others Income			3.11	0.32	1.31	0.18	3.64	0.44
Total			10.21	1.06	7.29	1.00	16.34	1.98
Investment business								
Receivable interest and other	GEL General Engineering Service Co.,Ltd.	99.99	0.15	0.02	0.50	0.07	0.43	0.05
Total			0.15	0.02	0.50	0.07	0.43	0.05
Investment business								
Income from advertising support	Chut Chieb Co., Ltd.	95.45	0.96	0.10	0.43	0.06	0.03	0.01
Receivable interest and other								
Total			0.96	0.10	0.43	0.06	0.03	0.01
Total income from investment business			11.32	1.18	8.22	1.12	16.80	2.04
Total Income			957.69	100.00	732.30	100.00	823.00	100.00

Marketing and competition condition

Total image of the business, since the petrol and raw material prices adjusted higher including the internal political obscurity, these factors resulted negative to the expansion of construction material business, caused retardation in construction industry according to total economic situation, since industrial construction would go along with the nation economic situation.

In the year 2010, the industry of construction material was quite high competition. The factors with effects to the customers' decision at first rank would be the price, since the customers from each project required low cost of construction management in order to maintain profit rate at their targets. Therefore, price comparison and negotiation were necessary so much, while the offerings could not much adjust the price to the raw material price which was increased higher.

Industry of construction material production are comprised of the following customers;

1. Large contractors	-The companies with their potentials to bid in large project, such as high sky building and utilities works.
2. Project owners	-Require to purchase material for construction by themselves, since the confidence in the quality of products and services without the construction contractors.
3. Architectures and engineers	-The designers and drawing calculators with their knowledge and understanding for application to those products very well, with their capability to suggest to the project owners to use those products.
4. General	-Customers with their intention to use with their buildings or to decorate for their beauty.

Marketing strategies

(1) Strategy of products and service

The company has its policy to focus on the quality of products and services by producing the quality products to meet with international standard with safety, with responsibility to social and various products to respond to the customers' need. While the teamwork with expertise always improve those services regularly, to take care, to protect delay delivery or damage with experience of operation on construction material for long time of 48 years to ensure to the customers in the quality of products and services of the company.

(2) Strategy of price

The company has its policy to produce the products and services with quality for long life usage. There are experts to offer consultation to the customers and to take care closely including the potentials of the company to work for the customers to full fill on time without any damage to cause more costs to the customers, and to satisfy to the price and the services of the company.

(3) Strategy on market promotion

The company has various products for customers to buy those construction material from the sole manufacturer such as for building construction, the company shall provide the reinforced concrete piles with putting service, no-beam reinforced concrete floor, ready-made wall, fiberglass concrete products to decorate the building as designed by the architect etc. While the company shall have good relationship to the architects and engineers who trust on the quality of the products including the company has emphasized to all customers' importance. Publicizing the organization by putting the post at the project area operated by the company, allowing students and interested people to visit the factories in order to aware to the qualifications of our products are the important factors.

(4) Strategy of development

The company has realized very that maintaining of business leader shall be focused to the product development, production process in order to obtain qualified products different from other competitors, while increasing various products to respond to the customers' demand and to comply to the current design to the building are being emphasized.

Risk factors

Risks of business of the company and its subsidiary companies

1. Risks of income

Income of the company is from selling construction material. Currently, there are many manufacturers, so the competition on price is quite serious while some consumers need cheaper products and sometimes they overlook the quality of products with long lasting usage with more safety. However, the company has operated the business for 48 years, so the products of the company are accepted of good quality, also some groups of consumers need good quality and good service with capable to operate on time, cause no damage to the buyer from delay of work.

2. Risk of price of raw material adjustment

In the year 2010, price of some raw materials such as wire and steel, cement has been adjusted both up and down during the year, and the price adjusted higher at the end of the year, causing the company has to catch up the price of raw material continuously. In addition, the company has solved the problem by planning to purchase products with the raw material producer when the company has accepted large projects, while the price has been pre-agreed before the company offered the price to those customers. The products had been purchased and kept as stock in order to solve a problem in one step.

3. Risk of raw material procurement

The company uses domestic raw material for production at 99% of all raw materials used. When the price of raw materials adjusted higher, then the problem of deficit came after in some duration. Some materials were in form of monopoly, cause of less negotiation.

In this case, the company has solved by following up the information and news of prices and raw material sources closely. There was planning to purchase those raw materials reasonably and sufficiently for production. While pre-purchase has been made if the signal of deficit occurred. In addition, the company is reliable from those raw material producers, so purchasing each time was in high volume, so those producers could provide raw material sufficiently and on time for the demand.

4. Risk of competition

In business of construction material producers, there are high competition among domestic manufacturers, mostly are price competition, since each business has to maintain their business liquidation with continuous production.

The company tries to adjust its strategies by cost management, regular production process development so that the cost can be competed. Techniques and quality have been brought to use for production in order to obtain different products from other competitors, then the products are in high value. There are various products to respond to the customers' needs, with acceptable quality. While the important supportive aspects are the

company has its own potentials to work within on time with no cause damage to the customers or cause no additional costs.

5. Risk of offering credits to customers

The customers of the company mostly are large contractors. There are not many large contractors in Thailand, if such payment from those customers are in trouble, it will effect to the company.

The company has determined the policy of credit more strictly by distribution selling to many customers, selling directly to the work owners including request for guarantee of purchasing and service providing such as advance payment or bank letter from the bank etc.

6. Risk of nation economic conditions

Construction business is a kind of business growing with total nation economic condition. The nation development projects such as public utility projects, housing buildings and office buildings ect. In the year 2010, political situation changed much more with uncertainty causing large projects of the government were postponed.

From such situations, the direct effects to the business of the company occurred, but the company has various products with capability to make income for the company including the company has pre-orders from many projects; therefore, the operation results appeared in the year 2010 was that the company still had income from selling.

7. Risk of exercise of right in warrant to purchase ordinary stocks of the company

The company issued warrant to purchase ordinary stocks of the company and the company expected that the ordinary stock of the company in the Stock Exchange would be in high price to make the warrant holders to exercise their right within due time in order to be a channel to capital increase. From such fluctuation of foreign economic conditions affected to the share price in the Stock Exchange greatly, the price of shares decreased greatly, would be effected top the warrant holders who still no exercise their right to purchase ordinary stocks.

The company realizes that the operation result of the company would effect to the confidence of the company and also being the push to the ordinary stocks in the Stock Exchange are traded at high price. Therefore, the company has to take care on operation result regularly with transparency of operation for all investors' confidence.

Shareholding Structure

1. Securities of the company

1.1 Registered capital and capital issued and paid-up as of 17 February 2011

Registered capital	:	4,895,364,463 baht; consisted of Ordinary stocks 4,895,364,463 shares Par value for each 1 baht
Capital issued and Paid-up	:	3,756,477,215 baht; consisted of Ordinary stocks 3,756,477,215 shares Par value for each 1 baht

1.2 Warrants

On September 30, 2005, the Company issued and offered warrants (GEN-W1) totaling 238,362,035 units to the existing shareholders whose name appears on the share register on September 30, 2005 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand and are identifiable and transferable. The term of the said warrants is 5 years commencing from September 30, 2005. The warrants can be exercised on 30th March and 30th September of every year. The first exercise date is on March 30, 2007 and the last exercise is on September 30, 2010. One warrant will be entitled to purchase 3.13640 new common share at the exercise price of Baht 0.717 per share.

As at September 30, 2010, the remaining of unexercised warrants (GEN-W1) were 238,361,901 units. The Company cancelled such warrants.

On December 25, 2009, the Company issued and offered warrants (GEN-W2) totaling 172,270,833 units to the existing shareholders whose name appears on the share register on November 26, 2009 at no cost at the ratio of 3 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 140,768,648 units and the outstanding 31,502,185 units had been cancelled and are identifiable and transferable. The term of the said warrants is 2 years commencing from December 25, 2009. The warrants can be exercised every six month. The first exercise date is on June 30, 2010 and the last exercise is on December 24, 2011. One warrant will be entitled to purchase 2.77966 new common share at the exercise price of Baht 0.359 per share, effective from December 30,

2010 onward. However, the exercise ratio and price can be changed when there is a change in conditions of right definition.

As at December 31, 2010, the remaining of unexercised warrants (GEN-W2) were 140,768,648 units.

2. Shareholders

2.1 Structure of shareholders as of 17 February 2011

Distribution of shareholding as per nationalities.

Thai shareholders				Foreign shareholders			
Juristic person	%	Ordinary person	%	Juristic person	%	Ordinary person	%
77,110,356	2.05	3,676,708,495	97.88	-	-	2,658,364	0.07

2.2 Large shareholders at 10 first ranks (as of the closing registration book; on 17 February 2011)

Names of shareholders	Nationality	Shares holding	
		Share	%
1. Mr. Komon jungrunreangkij	Thai	404,380,054	10.765
2. Mr. suraphon Tangkhaprasert	Thai	168,000,086	4.472
3 Mr. Rot limsawat	Thai	111,000,086	2.955
4. Thai NVFR Co.,Ltd.	Thai	68,862,401	1.833
5. Ms.Nuchnapha Wongchereansin	Thai	67,369,900	1.793
6. Mr. Vanchai Tangchugrwaranant	Thai	61,500,000	1.637
7. Mr. Narong Hwungchereanwong	Thai	59,792,488	1.592
8 Mr. Somboon Srinorasaksin	Thai	50,000,000	1.331
9 Mr. Narong Chiartanakanon	Thai	50,000,000	1.331
10. Mr. Surachai Srisuntisuk	Thai	41,000,000	1.091
TOTAL		1,081,905,015	28.800

3. The policy to pay the dividend

In the ordinary shareholders' meeting No. 1/2008, dated 24 April 2008, the meeting had a resolution unanimously to the company to change the policy of dividend payment to "not exceeding 60% of net profit after income tax and to reserve legally and the company shall not has accrued loss; anyhow, in order to comply to the

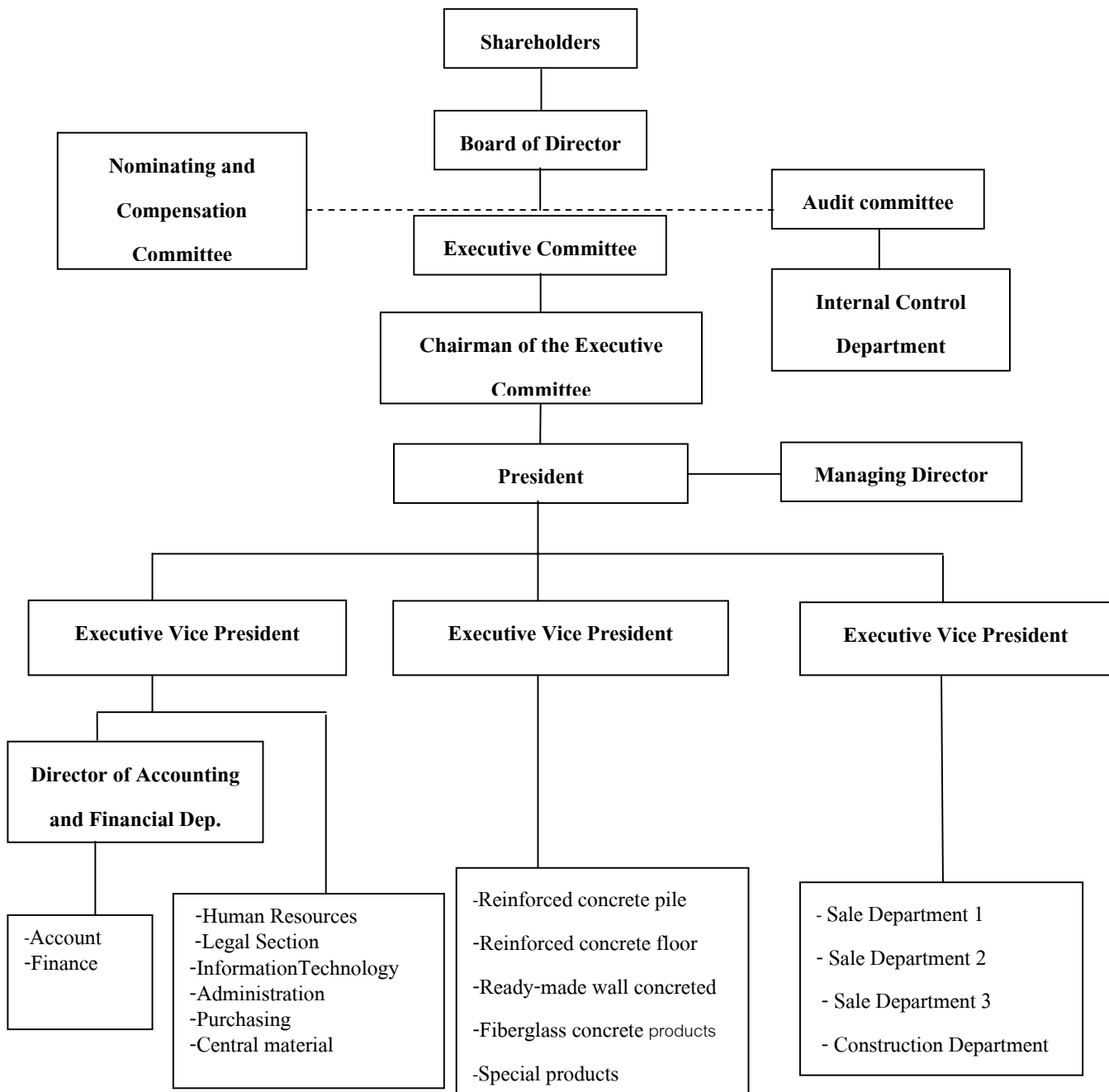
cash flow and business expansion plan of the company in the future” while dividend payment shall be paid as per amount of shares, each share equally.

The company still has its accrued loss, causing incapability to pay the dividend to the shareholders according to the law, while those shareholders had risk of non-payment of dividend as per the dividend policy determined since the company has net accrued loss.

ORGANIZATIONAL CHART

GENERAL ENGINEERING PUBLIC COMPANY LIMITED

As at 31 December 2010



Management Structure

The structure of management of the company is consisted of 4 committees; those are Board of Directors, Audit Committee, Nominating & Compensation Committee and Executive Committee with the following details:

1. Board of directors

As of the date 31 December 2010, the board of directors of the company was consisted of the following 7 directors;

Name	Position
1. M.L.Tossuwan Thongtaem *	Chairman and Chairman of the Executive Committee
2. Mr.Amnat Tangurimarn	Chairman of the Executive Committee
3. Mr. Apinunthakan Pongsathabordee Δ	Executive Committee
4. Mr. Chamnan Chotcomwongse Δ	Director
5. Mr.Takorn Laohapongchana Δ	Director
6. Mr.Kitja Charoenkiatkong *	Director
7. Mr. Soradak Vongchinsrisakul. *	Director

* Appointed as Director from 11 October 2010

Δ Appointed as Director from 6 October 2010

Anyhow, by Mrs. Wisadja Kochsena, director of Accounting and Financial Department acting as a secretary, taking charge of the activities of the directors, to record the minutes and to collect documents of meeting completely and correctly.

Scope with authority of board of directors

1. Corporate governance and to manage for the business operation to comply to the law under the objectives and regulations of the company including the shareholders' meeting resolutions and to maintain the benefits of the company to comply to the principle of good governance including to perform according to the rules and regulations of the Stock Exchange of Thailand, and Office of Securities And Stock Exchange of Thailand.
2. To determine the policy and the direction of operation of the company, to govern, to control and to take care to the management department to operate for compliance to the policies determined with efficiencies, to increase value of economy for the business and for the shareholders.
3. To organize the annual general shareholders' meeting not exceeding 4 months from the closing account date of the company and to organize the extraordinary shareholders' meeting when it is necessary.
4. To organize the board of directors' meeting every quarter and the directors shall attend the meeting no less than 50% of all directors, while umpire of the meeting shall be of majority votes as a resolution, if the votes are in equal, the chairperson of the meeting shall put another vote as an umpire.
5. Has power to assign to any director or many directors or other person to act for the board of directors as reasonably and within the reasonable duration, and the board of directors may cancel, dissolve or change or revise such authority as reasonably.
6. Consider and determine the name of authorized directors who sign the name binding to the company including setting the sub-committee as necessary and reasonably to operate nay business of the company.
7. To consider and to approve to the budget of investment and in the business operation of the company annually including to take care to resources of the company.
8. To organize financial information report and general important information to all shareholders completely and sufficiently including to confirm to the inspection and certification to the information reported.
9. To determine the principles related to the general trade agreement to conduct among the companies and subsidiary companies, the executives, or related persons.

“Trade Agreement as in description of the persons of ordinary prudence shall make with contract parties generally in the same situations with trading bargain power without influence as oneself being a director, executives and related persons”
10. Consider to approve to the company to pay the dividend during the times to the shareholders from time to time as reasonably under the provisions of the law.
11. To prohibit to the directors to conduct as being a partners or being a director to other juristic person with the same descriptions and to compete with the business of the company; except the notification has been notified to the shareholder for acknowledging prior appointment.

The regulations of the company related to the directors are as follows:

The company shall consist of the board of directors no less than 5 persons, and the directors with no less than a half of total directors with domicile in the kingdom of Thailand, and the directors shall be qualified as determined by the law. While the shareholders' meeting shall select the committee as to the rules and regulation with the method as follows:

1. One shareholder shall his vote of one share per one vote
2. Shareholder, while each shareholder shall sue his vote available as per (1) to select one person or many persons to be directors, but the vote shall not be divided to any person more or less.
3. Any person with maximum votes and secondarily respectively shall be selected as a director equally to the amount of directors to be available or to be selected for such time. In case of a person be selected in the secondary rank has the votes equally, and exceeding to the amount of directors to be available, or to be selected for such time, then the chairperson shall be an umpire.

Authorized directors to sign the name binding to the company

Authorized directors are consisted of Mr. Amnat Tangurimarn, Mr. Apinunthakan Pongsathabordee and Mr. Sorasak Vongchinsrisakul two of third directors sign their names jointly with affix the important seal of the company.

(2) Audit Committee

The Audit Committee consisted of 3 directors with the following names;

Name	Position
1. Mr. Chamnan Chotcomwongse	Chief of Audit Committee
2. Mr.Takorn Laohapongchana	Audit Committee
3. Mr.Kitja Charoenkiatkong	Audit Committee
And Miss Rungtawan Pipattahnapongsopon	Secretary of Audit Committee

There is 3 years in office period, anyhow, the Audit Committee who is retired as per the term may be appointed for another term as reasonably considered by the board of directors of the company or the shareholder's meeting.

There is at least 1 audit committee who has knowledge and experience on accounting according to Act of Securities (Volume 4) B.E. 2008.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duties assigned by the Board of Directors of the company as follows:

1. Review for the company to have correct and sufficient financial report.
2. Review for the company to have reasonable internal control system with efficiency and consider to the independency of internal audit unit including giving approval for consideration and appointment, transfer, lay off of internal audit unit or any working unit in charge of internal audit.
3. Review for the company to follow the law on securities and stock exchange, regulations of stock of exchange, Act of Public Company, Act of Accounting or related law to the business of the company.
4. Review for the company to have suitable risk management with efficiency.
5. Consideration to select, to propose and to appoint the independent persons to do auditing for the company and to propose the compensation to such person including to attend to the meeting with the auditor without management department to attend the meeting at least once a year.
6. Consideration to the related particulars or the particulars may be in conflict to the benefits to comply to the law and regulations of the stock exchange to ensure that such particulars are reasonable with maximum benefits to the company.
7. To make report of audit committee openly in the annual report of the company, such report shall be signed by the chairperson of audit committee and must be consisted of at least the following information;
 - 7.1 Opinion on accuracy, completeness reasonably of such financial report of the company
 - 7.2 Opinion on sufficiency of internal control system of the company
 - 7.3 Opinion on performance by the law of securities and stock exchange, regulations of stock exchange or related law to the business of the company.
 - 7.4 Opinion on the auditor's suitability
 - 7.5 Opinion on particulars may be conflict to the benefits
 - 7.6 The times of audit committee's meeting and attending to the meeting of each audit committee
 - 7.7 Opinion or notes totally that the audit committee received from follow up the charter
 - 7.8 Other particulars seen that the shareholders, general investors should know under the scope and duties of responsibilities assigned by the board of directors.

8. To do other duties assigned by the board of directors with from the audit committee's approval

Performance by the first paragraph, the audit committee shall have responsibility to the board of directors of the company directly and the board of directors still have their responsibilities to the operation of the company to the outsiders.

In case of changing the audit committee's duty, the company shall notify such resolution of changing duty with making list name with scope of operation of the audit committee's changing as to the form determined by the stock exchange and to deliver to the stock exchange within 3 working days from the date of such changing by the method with regulations of the stock exchange on the report via electronic system.

9. Performance of audit committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to board of directors of the company in order to improve, to revise within the time determined by the audit committee see as appropriate consider approve.

Definition of independent directors of the company

1. Shareholding no exceeding 1 % of shares with right of total votes of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, including shareholding of related person of such independent directors.
2. Not being or has never been directors taking part of administration, employee, staff, advisor with permanent salary or authorized person to control the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be retired from such descriptions no less than two years prior appointment.
3. Not being a person with blood relationship or by legal registration in description of being father, mother, spouse, siblings and children, including the spouse of children of the executives, large shareholders, authorized persons to control or persons to be proposed as executive or authorized person to control to company or subsidiary company.
4. Not having or has been in business relationship such as normal business transaction in order to conduct of renting or leasing properties, particulars of assets or services or offering or accepting financial assistance including other similar behaviors with the company, large company, subsidiary companies, associated companies or juristic person may be in conflict to be obstructed to the self-consideration independently including not being large shareholder, director which is non-independent director or executive of the person with business relationship to the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be excepted from such description no less than 2 years prior appointment.
5. Has never been or has been the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, and not being large shareholder, director which is non-independent director, executive or managing partner of auditing office with the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict available, except to be exempted from such description no less than 2 years prior appointment.
6. Not being or has been any professional provider including legal advisor or financial advisor with service charge more than 2 MB a year from the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, in case the professional provider is a juristic person, it shall include the large shareholder, director which is not independent director, executive or managing partner of such professional provider as well, except to be exempted from such description no less than 2 years prior appointment.

7. Not being a director appointed to be a representative of the board of directors, large shareholders or shareholders who is related to the large shareholder of the company.
8. Not being a director assigned from the board of directors to decide in business operation of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict.
9. If the independent directors hold the position of independent director in large company, subsidiary company and subsidiary company in the same ranks, the company shall disclose such information of position holding with remuneration received by such independent director in or 56-1 and or 56-2 too.
10. Has no other aspect cause inability to give opinion independently on the operation of the company.

(3) Nominating & Compensation Committee

The Nominating & Compensation Committee consisted of 3 directors;

- | | |
|------------------------------|--|
| 1. Mr. Chamnan Chotcomwongse | Chairperson of Nominating & Compensation Committee |
| 2. Mr. Amnat Tangurimarn | Nominating & Compensation Committee |
| 3. Mr. Takorn Laohapongchana | Nominating & Compensation Committee |

Scopes of authority with responsibilities of Nominating & Compensation Committee are as follows:

1. Consideration to nominate the directors assigned by the board of director of the company by nominating from the persons with ability, knowledge, time dedication, qualified person and to propose to the board of directors of the company.
2. Consideration to nominate to the high rank executive assigned by the board of directors of the company by nominating from the person with ability, to make benefits for the company, and to propose to the board of directors of the company.
3. To propose the policy and the rules of determination to the remuneration with other benefits as to the positions of high rank executives of the company; those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.
4. Consideration to propose on salary adjustment, benefits to the positions, welfare and conditions with regulations on employment to the high rank executives, those are Chief of Executive, Managing Director and Deputy Managing Director and Assistant Managing Director.
5. To propose the policy and rules with regulations to determine the remuneration and other benefits to the directors and directors in sub-committees
6. Determine the names of directors and employee who shall receive the warrant exceeding 5 % of all warrants for each period.
7. Determine amount of warrants to allocate to the directors and employees who shall receive by allocation exceeding 5 % of total warrants each period.
8. Providing opinion, reasons, necessities and benefits that the company shall receive allocation to such warrants.

(4) Executive Officers

At present the executive officers comprise:

Name	Title
1. Mr.Amnat Tangurimarn	Chairman of the Executive Committee (CEO)
2. Mr. Theerawat Kiatsomphob	Vice Chairman of the Executive Committee
3. Mr. Apinunthakan Pongsathabordee	President

Scope of power, duty and responsibility of the executive officers are as follows:

1. Control and supervise the routine business of the Company to comply with the policy and budget approved by the board of directors to go effectively, including defining the business plans, direction, and strategies under the framework of the law and the scope of power set by the board of directors.
2. Perform other businesses as assigned by the board of directors, including approving the operations of the Company, according to the scope given by the board of directors, which is reviewed regularly.
3. Consider presenting the matters above the scope of their power for the board to consider.

Secretary of the Company

In the board meeting No. 4/2009 held on May 14, 2009, the Company appointed Mrs. Wisadja Kochsena as its secretary, having the duty pursuant to the Securities and Exchange Act (No. 4) 2008. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation.

REMUNERATION FOR DIRECTORS AND EXECUTIVES

Monetary Remuneration

1. Remuneration for directors

At the Annual Meeting of Shareholders year 2010 held on April 23, 2010, a resolution was passed that the remuneration for directors be fixed as proposed by the Nominating and Compensation Committee and the Board of Directors.

-Remuneration for the Board of Directors consists of monthly meeting allowances. The chairman of the Board of Directors receives a monthly meeting allowance Baht 20,000 per month. Each director receives a monthly meeting allowance of Baht 10,000 per month.

-Remuneration for Audit Committee, consists of monthly compensation. The Chairman of the Audit committee receives a monthly retainer fee of Baht 15,000 per month. Each Audit Committee member receives a monthly retainer fee of Baht 10,000 per month.

-Remuneration for Nominating and compensation Committee consists of meeting allowances. All nominating and Compensation member receives a meeting allowance of Baht 3,000 per meeting.

The year 2010 the directors ' remuneration are as follows.

	Total Remuneration (THB)
The Board of Directors	1,540,000
The Audit Committee	455,000

2. Remuneration for Executives

In 2010, The remunerations of executives included 8 persons received from the Company in the of salaries, amounted to Baht 12,048,091

Other Remunerations

-Contributions to Provident Fund.

The Company makes contributions to the Provident Fund for the employees. It pays monthly contributions to the Fund equally at 3 percent of the salaries. In 2010, the contribution paid to the Fund was as follows:

8 Directors and 8 Executives, was amounted by Baht 315,407.10

Personnel

- As of December 31, 2010, the company has in total 396 employees ,who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	9
Organizational Administration and Service	30
Human Resource	5
Finance and Accounting	16
Sales service and design	107
Factory	229
Total	396

The employees' remuneration in 2010 is as follows :-

Remuneration	Amount (BHT)
Total Salaries	80,934,832
Contributions to Provident Fund	1,640,905,.38
Employees welfare	1,928,706.82
Total	84,504,444.20

The labour dispute in the past 3 years

--None--

2. Policy on Personnel Development

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel is an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

The Human Resources Department has organized an annual training plan considering from the information and necessity from the various units. In 2010 the company spent on training and development of the personnel totaling 2.18 million baht.

Corporate Governance Policy (Code of Best Practice)

The Company has realized of the importance of good governance to benefit its business to build confidence for the shareholders, investors and all the involved parties so the management can be transparent, accountable and equitable. It has considered the right and equity of the shareholders, responsibility of the stakeholders as the important factors in increasing long-term value and promotes its sustainable growth.

The good governance policy is consistent with the good governance principle of the SET and the regulations of the SEC, which the Company has practiced continuously as follows:

1. Right of the shareholders.
2. Equitable treatment of the shareholders.
3. Role of the stakeholders.
4. Revelation of information and transparency.
5. Responsibility of the board of directors.

Chapter 1 Right of the shareholders

The Company gives priority to the right of the shareholders with the realization that the shareholders have the right of ownership by controlling the company through the appointment of the board of directors to act on their behalf, and the right to make the decision relating the important changes of the Company.

The basic rights of the shareholders are participating to appoint and remove the directors; appointment of the auditor and the matters that affect the Company, e.g. a revision of the rules and the articles of association, a reduction or increase of capital, allocation of dividends, and approval of the related items. The shareholders are also given the right to transact or transfer their shares, profit-sharing, or dividends, including receiving information from the Company continuously. The Company shall not do anything to violate or derogate the right of the shareholders with the good guidelines toward them as follows:

1. The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send a meeting invitation to the shareholders and the supplemental documents to all the shareholders before a meeting date a minimum of 7 days in advance. The meeting invitation shall contain complete information and opinions of the board of directors on each item clearly.
2. The Company shall bring the meeting invitation with the supplemental documents to announce to the shareholders via the channel of the SET and in its Web site 20 days in advance before the meeting date to open the opportunity for the shareholders to study the information before the meeting date.

3. The Company has arranged the meeting venue of the shareholders at a convenient location, provided convenience for the shareholders to exercise their right to attend the meetings, and vote fully without limiting the opportunity to attend the meeting. It is to promote the right of the shareholders and opens an opportunity for the shareholders to inquire and talk informally with the board of directors.

4. The chairman of the board, chairman of the committees, the president, and everyone attend the shareholders' meetings, as well as the auditor to attend the annual general meeting (AGM) with the directors to answer the involved issues.

5. The Company has notified the method of voting and counting using the ballots to the shareholders in advance before the meeting, which is not complicated. There are minutes of the meeting clearly recording the accepted and rejected votes, and the absence on each voting item.

Chapter 2 Equitable Treatment of the Shareholders

For building confidence to the shareholders, the board of directors and the management shall supervise the spending of the shareholders' money suitably as the important factor toward confidence in the investment with the Company. Therefore, the board of directors has supervised the shareholders to be treated and protected of their basic rights equitably.

1. The board of directors manages the process of the shareholders' meetings in terms of supporting by sending a proxy form to all shareholders, in case the shareholder is not convenient to attend the meeting in person it can appoint someone to attend by proxy. The format of the proxy form makes the shareholder can vote by proxy by agreeing, disagreeing, or abstaining. Also the Company shall arrange for its Chairman and the three Audit committees as the alternative for the proxy, supplemented by the qualified four directors.

2. Giving the right to the minor shareholders to present in the agenda of the shareholders' meeting, or present the name of the people to be elected as a board director before the meeting date of shareholders' meeting. There was no headings stated in the website officially, but the shareholders can send information asking to increase the agenda, or present a name of the directors with his qualification to the Company's website. However, in the past 2010 there did not have any information sent in.

3. Giving the right to the shareholders to vote, with one share one vote.

4. Establishing a measure to prevent from using the inside information to find interest to himself or other people dishonestly by the board directors. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have impact on the business and the price of the Company's securities; it is required approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

The Company has submitted the documents on utilizing inside information and the offenses occurred to the board directors and the Company's employees on each new regulation issued by the SEC. If there is a director or employee that takes the opportunity to seek the undue benefit, he shall be disciplined by the Company.

In the past, at no time there was a director or executive alleged to abuse the inside information.

5. A revelation of the related items and the opinions of the board of directors on the aforesaid items to the shareholders. There was no making of a related item that was in violation or non-compliance with the guidelines of the SEC.

6. In the annual general meeting of the shareholders on the appointment of the directors, the shareholders shall vote to elect the directors on an individual basis.

Chapter 3 Role of Stakeholders

The Company gives priority on the supervision and consideration of the stakeholders in all groups inside and outside the Company are the shareholders, directors, employees, customers, trading partners, creditors, competitors, and other agencies that the Company has implemented internal and external activities. It includes a responsibility towards the society and the environment, as well as the public sector with the guidelines on the stakeholders are as follows:

1. The shareholders.

The Company shall perform the duty with loyalty, honesty, and equity. It has determined to create growth for the shareholders to receive sustainable returns from the results of its operations. The Company has treated the shareholders equitably according to the good governance principle on the chapter of the rights of the shareholders and their equitable treatment. The Company has provided its website: www.gel.co.th as a channel for the shareholders or the vested interests can contact or complain on the matter that can cause damage to it.

2. The employees

The Company has realized and given priority to its employees, as it deemed that they are a factor of success and achievement of its goal. It has established the policy that is clear on developing its personnel. It has developed training to provide thorough knowledge to develop the ability of the employees at all levels continuously to give an opportunity for the job advancement.

The Company has set up the Organizational Safety Health and Environment Committee by providing training to the committees to supervise and notify the information concerning the working safety and the environment, including preventing from accidents while working, so the employees can implement correctly. It has provided safety equipment that is suitable with the job characteristics together with good fringe benefits and the employment conditions that are suitable with the market situation for the employees to have good ethics.

The Company has arranged for the knowledgeable monks to give fair lectures, and ideas on how to make a living. It has helped by giving out scholarships to the employees' children who made good grades,

including organizing various activities, e.g. learning art during the school vacation for their children, and providing visual observation for the employees with a small income.

The Company has also provided a complaint box to receive opinions from its employees. If an employee sees an abnormal or unsuitable thing, it can send a message to tell the president. For giving a tip to the independent directors, the Company has provided their names, phone numbers, and e-mail address to contact them without going through the Company's channel to investigate the facts directly.

3. Customers

The Company has realized the importance on building satisfaction and confidence for the customers to receive the quality goods and service at the fair prices. It has listened to the opinions and suggestions from the customers for review, and improvement. Moreover, the Company has regularly surveyed the satisfaction of the customers. It has developed the good quality and administrative system, received standard quality system certification of the ISO 9001-2008 QC standard from the Thai Industrial Standard Institute (TISI) as well as providing service to all the customers equitably, regardless of being a large, medium or small customer.

4. Trading Partners.

It has established a policy and guidelines toward its trade partners equitably based on the decision-making by comparing conditions, prices, quality and various services transparently and accountably. It is aimed to develop and maintain the sustainable relations.

5. Competitors

The Company has treated its trade competitors under the good competition guidelines, emphasizing the ethical business operations, transparency, and fair competition. It has competed using the goods quality and reliable service as the competing points, and with honest competition with our competitors. The Company shall maintain good relations as the mutual operators in the same industry, as it has no dispute concerning its trade competitors.

6. Creditors.

The Company has complied with the contractual obligations toward its trade creditors and the financial institution creditors by showing responsibility toward its debts. It has treated its creditors fairly throughout the business operations, and maintained good relations with each other.

7. Society/Community and the Environment

The Company has consideration on the society/community and the environment by complying with the laws and regulations on various matters, so as not to take advantage of the overall society. It has realized about its responsibility not to cause noise pollution and dust to the nearby communities. It has set up a particular unit to take care of the environment closely and is friendly to the environment.

It has considered the value and priority to benefit the society and the social environs of the factory. It has developed and improved the classrooms and toilets of the school nearby, supported them with sport equipment, scholarships, and joined the Children's Day activities, as well as joining the activities of the nearby

temple in accordance with the religious holidays. The important thing was our employees donated blood to the Red Cross Society twice a year regularly.

Code of Conduct

The Company has been in the business for 48 years with its reputation is acceptable in the business circle, so it gives priority to the business ethics that shows loyalty, honesty, and reliability toward the vested interests. Inside the Company it has organized activities, which the executives can communicate on the business ethics and code of conduct that the employees should have made toward it, its trade partners, competitors, and colleagues for acknowledgement regularly.

Conflict of Interest

The Company has set up a policy so that its directors, the management and employees cannot take the opportunity from the employment to seek personal interest. It was approved by the board of directors in principle relating the trade agreements with the general trade conditions in dealing with the Company or its subsidiaries and the directors, the management or the involved persons. In case of qualifying as a related item under the notification of the SET, it has to comply with the guidelines strictly and disclose the information on it.

The Company has set up a prohibition to prevent from using an opportunity or information from being a director, the management or employee to seek a personal gain, or does business that competes with the Company or the related business. This includes preventing from using the inside information for personal benefit to transact the shares of the Company or give information to other people.

Chapter 4 Revelation of Information and Transparency

The Company gives priority to a disclosure of information sufficiently and transparently by defining it as the role and duty of the board of directors. In the disclosure of the information, it must be correct, complete, in time, and transparent on the finance, and other involved information so the shareholders and the vested interests can receive the information equitably via the information channel and communication by dissemination from the SET, the SEC, and the Company's Web site at www.gel.co.th.

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 ext. 446 and by fax at 02-501-2468, 02-963-9814

Meanwhile, the Company has organized activities to support the revelation of information to the public regularly by:

1. Provide a Company visit for the Investors Association, analysts, university and high school students, and news reporters to understand the business that the Company has operated, and having information analysis presented to the investors.
2. There are a minimum of two press meetings with the construction news and investment correspondents to address the progress on the operations for the shareholders to learn of the news widely.

Chapter 5 Responsibility of the Board of Directors

The Company has realized about the importance of the role and duty of the board of directors toward it and its shareholders. The board of directors comprises the persons with knowledge, ability, skill and working experience from diverse fields, so it can perform the duty with effectiveness. The board must have leadership, vision, knowledge, ability, and various experiences, having loyalty, honesty and independence in decision-making for optimization of the Company and the overall shareholders. The board also has participated in setting the vision, goal, policy, operation direction, strategy, business plans, and the fiscal budget, including supervision for the management to perform according to the work plans and the set budget regularly. It shall follow up on the operations considering the legal principles, regulations and resolutions of the shareholders' meetings loyally, honestly, and ethically. It also shall supervise the administration of the management to comply with the targets and the guidelines for optimum benefits to the shareholders and sustainable growth of the organization.

Structure of the Board of Directors

According to the articles of association, the board of directors comprises at least five directors. As of December 31, 2010 the Company has a total of 7 directors comprising two executives, two outsiders, and three independent directors, or 42.86 of the total directors were sufficient to create the checks and balances within the board.

Independence of the Management and the Board of Directors

The board focused on transparency of the business operations and has decentralized its decision-making. It has set up its role and duty clearly, including the three audit committees are independent, no conflict of interest in finance and administration of the Company and performs the supervision and examine on the working of the executives.

Evaluation of the Performance of the Board of Directors

The board of directors has approved the board evaluation form in the whole set for use on self-evaluation. The Company has a form for evaluation of the board performance, so the directors can evaluate their

weak point and strong point in the supervision and bring the results for summarization and notify the board for acknowledgement later.

Nominating and Compensation Committee

There are three committees comprising an independent, non-managerial, and managerial committees to work jointly, which they all had knowledge and experience with the role and duty according to clause 9 on “Management.”

Meeting Attendance of Each Director

In 2010, the presence of each member of the Board of Directors can be summoned as follows:-

Name	Term of Office	Board of Directors	Audit Committee	Remark
Times of the meeting	-	11 Times	4 Times	
1. Mr.Kamol Ieosivikul	May2009-Apr.2012	1/11		Resign on 14/05/2010
2 .Mr.Yanyong Akrajindanon		2/11		Resign on 14/05/2010
3 .Mr.Shine Bunnag		7/11		Resign on 11/10/2010
4. Mr.Kittichai Raktakanit		1/11		Resign on 19/03/2010
5. Mr.Praboadh Chumvadhana		2/11		Resign on 14/05/2010
6. Mr.Wisood Leosivikul		5/11		Resign on 11/10/2010
7 .Mr.Chamnong Puttima		7/11		Resign on 12/10/2010
8. Ms.Roongrawee Iampongpaition		7/11		Resign on 04/10/2010
9. Mr.Amnat Tangurimarn		11/11		
10 Mr.Parit Teekakirikul		7/11		Resign on 04/10/2010
11. Maj.Gen.Jiradej Mokkhasmit		7/11	3/4	Resign on 04/10/2010
12. Mrs.Chuanpis Chaimueanvong		2/11	1/4	Resign on 10/05/2010
13. Mr.Worapon Lopansri		3/11	2/4	Resign on 01/06/2010
14. Mr.Phubaseo Yopradi		6/11	1/4	Resign on 13/10/2010
15. Mr.Theerawat kiatsomphob		7/11		Resign on 12/10/2010
16. Ms.Reowdee Wanchit		8/11		Resign on 12/10/2010
17. Ms.Pinnapa Ngansujarit		3/11	1/4	Resign on 04/10/2010
18.M.L.Tossuwan Thongtaem	Oct.2010-Apr.2012	2/11		Appoint on 11/10/2010
19. Mr.Sorasak Vongchinsrisakul	Oct.2010-Apr.2012	1/11		Appoint on 11/10/2010
20. Mr.Kitja Charoenkiatkong	Oct.2010-Apr.2012	2/11		Appoint on 11/10/2010
21. Mr.Chamnan Chotcomwongse	Oct.2010-Apr.2012	3/11	1/4	Appoint on 06/10/2010
22. Mr.Apinanthakan Pongsathabordee	Oct.2010-Apr.2012	2/11		Appoint on 06/10/2010
23. Mr.Takorn Laohapongchana	Oct.2010-Apr.2012	3/11	1/4	Appoint on 06/10/2010

Supervision on the Use of Inside Information

The Company has a policy on the revelation of the information, financial report, and operations by revealing the financial information and those relating to the business and results of its operations to be correct, complete, sufficient, reliable, in time, and regular to the shareholders, investors, securities analysts and the general public. The Company has complied with the laws, regulations, and rules involving the revelation of information strictly. The directors and the executives, upon there is a transaction of securities, have to prepare a report on securities holding, according to the Securities and Exchange Act (No. 4) 2008, and report the change of the securities holding in the prescribed form within the specified time.

In the supervision of the inside information, it is the responsibility of the directors, the management and the employees may not reveal the inside information in essence, which may affect the business and price of the securities of the Company, and not yet revealed to the public. They shall not use the opportunity or information derived from being a director, management or employee to seek personal interest, or give information to other people for transacting the securities of the Company, and on the business competing with the Company or its related businesses. The Company has established a preventive measure by limiting the information realization to only the involved directors and the senior management only, including prohibiting them from transacting its securities one month before announcing the financial statement.

Any violation to cause the Company to be damaged or lost of the business opportunity, it is regarded as against its policy and business ethics, punishable by a severe disciplinary action, as well as being charged pursuant to the Securities and Exchange Act (No. 4) 2008.

Transaction with Related Companies

Interrelated transactions of the company and its subsidiary companies with related companies during the year 2009-2010.

- Items related to the subsidiary companies

Interrelated persons	Description of relationship	Classification	Total Financial Statement		Specific Financial Statement		Description of items	Contract period
			Year 2010	Year 2009	Year 2010	Year 2009		
Chut Chieb Co., Ltd.	A subsidiary company with shareholding as of 95.45%	Money for leading and accrued interest and interest receivable.			19,589	31,307	The items of financial assistance for current capital in the business of Chut Chieb Co., Ltd., with interest rate as of amount 4-12 % per year with the credit not over 40 million baht.	Issued Promissory Notes with repayment on demand.
					607	1,449		
		Other debtors			6	32	Being employment on accounting and others of Chut Chieb Co., Ltd.	Each month 3,000 baht and renew every year.
		Other income			36	36		
G E L General Engineering Service Co., Ltd.	A subsidiary company with shareholding as of 99.99%.	Money for leading and accrued interest and interest receivable.			8,651	-	The items of financial assistance for current capital in the business of G E L General Engineering Service Co., Ltd., with interest rate as of amount 8-12 % per year.	Issued Promissory Notes with repayment on demand.
					294	-		
		Other debtors			467	27	Being employment on accounting and others of G E L General Engineering Service Co., Ltd.	Each month 25,000 baht and renew every year.
		Other income			300	693		
		Rental			491	491	Being 2 car rental items and land on the content of 2-3-88 rais.	Each month 10,000 and 30,888 baht respectively, contract renew every year.

Interrelated persons	Description of relationship	Classification	Total Financial Statement		Specific Financial Statement		Description of items	Contract period
			Year 2010	Year 2009	Year 2010	Year 2009		
Parinda Co., Ltd. (Public)	Affiliated company with shareholding as of amount 17.39 %.	Bought products.	1,663	8,280	1,663	8,280	Bought rock and sand.	-
Aqua Corporation Co., Ltd., (Public)	Having joint directors with the company (Terminate 12/10/2010)	Management cost Other creditors	1,133	1,503 134	1,133	1,503 134	Being payment for management to the high executive on accounting and finance and internal auditing team.	Each month 125,000 baht, terminated on 31 December 2010.
		Interest payable	89		89		The items of financial assistance as of amount 15 million baht to spend for payment to the account payable of construction project contractor.	On the day 26-27/8/10 and 5/9/10 paid already on due date within 30/9/10.
		Income from rental	27		27		Being an item of area letting 800 square meters to store material pile.	Each month 3,000 baht; duration 1 Jan -31 Dec. 10.
Mida Asset Co., Ltd., (Public)	Having joint directors with the company (Terminate 04/10/2010)	Interest receivable	17		17		The items of financial assistance as of amount 80 million baht to spend for short term current capital with interest rate as of 8%.	Duration of 1 days and return on due date.

Measures or procedure to Approve Related Transactions

To protect investors in case of the company's carrying out of related transactions with the person possibly causing conflict of interest in the future, the company will have the transaction types, prices and conditions of each party arranged clearly for the account auditor to check and disclose them in the Notes to Financial Statements. In regard to the normal related transaction, i.e., arising earlier and related to the company's main business, and /or the transactions that might cause conflict of interest, the Audit Committee shall check the justification and reasonability of the transactions and report its opinions to the meeting of the Board of Directors.

In case of the company's committing any unordinary business transaction or the transaction not in relation to the company's main business and possibly causing the conflict of interest, the company will ask the Audit Committee to make preliminary check prior to issuing the approval. The company shall arrange for the meeting of the Board of Directors attended by the Audit Committee to take the related transaction into consideration for fair practice and at proper pricing policy, in which the Directors with interest in that related transaction shall not have the voting right onto such transaction. Should the Audit Committee do not have skills in considering any related transaction, the company will ask an independent expert or its account auditor to give opinions on the issue and submit the resultant report to the Board of Directors or shareholders as deemed appropriate.

Policies and Trends of the Related Transactions in the Future

The company is adopting the earlier mentioned policy of the related transactions and shall abide by it in the future. As for a related transaction for normal business practices, the company will stipulate the price and conditions clearly and comparable to those of other firms and the company shall ask for the Audit Committee to take the matter into consideration and give opinions in regard to the properness of prices and reasonable actions of the transaction.

The related transactions to arise in the future shall conform to the laws on Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association.

Explanation and analysis on financial status and operation results

Overall image

The overall image of the economy in the year 2010 had its better growth, since the investment from public and private sectors and especially export sector had its high growth. While the domestic consumption increased, it helps to push the total economy of the nation got better. In the business of construction material production tended to be grown during the year 2010, but the problems on country's situation of unrest during the 2nd quarter of the year resulting the non-confidence to the nation economy from both domestic and foreign investors. Therefore, the various businesses had been decelerated at that time, resulting the total sales decreased. After the confidence returned, and the investors started their purchasing powers during the end of 2010, resulting the total sales of construction material products had been adjusted increasingly.

Operation results

In the year 2010, the company had its net loss as of amount 89.78 million baht, or loss as of 0.05 baht per share; when comparing to the year 2009, the company had its loss as of amount 123.34 million baht, or loss as of 0.24 baht per share with the following details:

1. Income from sales and services

In the year 2010, the company had income from sales and service as of amount 946.37 Million baht or calculated as of 98.83 %, from total income, which was increased 222.29 million baht from the year 2009 had income from sales and service as of amount 724.08 million baht or calculated as of 98.89 % from total income by the reasons mentioned above.

Income structure separated by products

Business sections	Year 2010		Year 2009		Difference	
	Million Baht	%	Million Baht	%	Million Baht	%
Pre-stressed concrete pile products	372.42	38.89	235.27	32.13	137.15	60.85
Special concrete products	199.01	20.78	174.33	23.81	24.68	10.95
Special products	17.97	1.88	29.58	4.04	-11.61	-5.15
Construction/Special Project	298.57	31.18	253.81	34.66	44.76	19.86
Letting immovable properties	58.40	6.10	31.09	4.25	27.31	12.12
Total	946.37	98.83	724.08	98.89	222.29	30.70

2. Other income

Other income, such as interest receivable, income from selling from scrap, profit from selling assets with other income.

In the year 2010, other income as of amount 11.32 million baht or calculated 1.18% of total income, increased 3.10 million baht from the year 2009, with other income as of amount 8.23 million baht or calculated to 1.12 % of total income with the details of other income as follows:

Other income (Unit: Thousand baht)	Total Financial Statement	
	Year 2010	Year 2009
1. Income from sale of scrap	1,141	777
2. Interest receivable	3,213	1,580
3. Profit from selling fixed assets	933	933
4. Other income	6,031	4,935
Total	11,318	8,225

3. Cost of sales

In the year 2010, the company has its costs of sales with service as of amount 847.89 million baht or calculated to 89.59% of income from sales and service, which as higher that the year 2009 with costs of sale as of amount 678.61 million baht or calculated to 93.72 % of income from sales and service. Since, the year 2010, the company recognized the costs higher that income from the construction project increased for 2 projects.

Percentage of costs of sales and service

Unit : Million baht	Year 2010			Year 2009		
	Income	Costs	%	Income	Costs	%
1. Selling products	693.23	601.60	86.78	439.18	365.93	83.32
2. Construction and installation	194.74	220.94	113.46	253.81	294.80	116.15
3. Real estate for rental and related services	58.40	25.35	43.41	31.09	17.88	57.51
Total	946.37	847.89	89.59	724.08	678.61	93.72

4. Costs of sales and service

In the year 2010, the company had its costs of sales and administration of amount 189.45 million baht or calculated to 19.78 % of total income, increased as of amount 18.42 million baht from the year 2009, which was at 171.03 million baht or calculated to 23.35 % of total income; the following were the causes of such items:

Costs of sales and administration (Unit : Thousand baht)	Total Financial Statement		Increased (Decreased)
	Year 2010	Year 2009	
1. Costs of sales	4,308	1,009	3,299
2. Costs of administration	98,312	73,916	24,396
3. Remuneration to the executives	22,747	26,424	-3,677
4. Loss and impairment of securities	22,805	26,105	-3,300
5. Bad debt/doubtful debts/other loss	12,260	35,446	-23,186
6. Depreciation costs	6,197	8,126	-1,929
7. Allowance for other damages	22,818	-	22,818
Total	189,447	171,026	18,421

5. Interest payable

In the year 2010, the company had interest payable as of amount 9.02 million baht, increased 4.16 million baht from the year 2009 which was at amount 4.86 million baht, since most interest payable was from subsidiaries companies, and those subsidiaries companies had borrowed increased from the previous year 35 million baht, but the refund has been made to such loan continuously.

Financial status

Assets

The balance sheet of the year 2010, the company has total assets as of 1,141.22 million baht, increased as of amount 72.47 million baht or increased as of 6.78 % from the year 2009, the company had total assets as of 1,068.75 million baht with the following details:

1. Current assets

As of the day 31 December 2010, the company had current assets as of amount 162.77 million baht, increased as of amount 40.32 million baht or calculated to 7.14 % of current assets when comparing to the previous year with current assets as of amount 564.39 million baht, the current assets as of the day 31 December 2010 were the following items.

1.1 Cash and cash equivalent

In the year 2010, the company had cash with cash equivalent as of 162.77 million baht, decreased as of amount 67.95 million baht, from the year 2009 which was amount 230.72 million baht, since it was spent in the activities of operation as of amount 118 million baht, spending in the activities of investment as of amount 121 million baht and obtaining from activities of procurement as of amount 171 million baht.

1.2 Account receivable

In the year 2010, the company had account receivable 216.06 million baht, increased 97.61 million baht from the year 2009 with the amount of 118.45, since the company had total sales increased from income of construction service and installation, resulting the account receivable increased after.

The debtors' quality of the company was as follows:

Debt duration	2010		2009	
	Million baht	%	Million baht	%
Undue collection	52.40	19.94	39.82	24.65
No overdue of payment	98.81	37.62	28.18	17.43
Overdue payment of 1 - 3 months	60.25	22.93	40.81	25.26
Overdue payment exceeding 4-6 months	11.13	4.23	9.82	6.08
Overdue payment exceeding 6-12 months	2.30	0.88	1.84	1.14
Overdue payment exceeding 12 months up	37.84	14.40	41.11	25.44
Total account receivable	262.73	100.00	161.58	100.00
Less Allowance for doubtful debts	-46.67	-17.76	-43.13	-26.69
Total net account receivable	216.06	82.24	118.45	73.31

In the year 2010, the company had set the reserve of allowance for doubtful debts as of amount 46.67 million baht, increased 3.54 million baht from the year 2009 with the amount of 43.13 million baht, since the company had set the reserve of outstanding of debtors for more than 12 months increased.

1.3 Value of construction uncollected from customers

In the year 2010, the company had the value of construction uncollected from the customers as of amount 25.47 million baht, decreased as of 37.67 million from the year 2009, since in the year 2010, the company had an income from recognition from the construction exceeding the payment collected as of amount 25 million baht, decreased from the end of the year 2009 with the amount of 63 million baht, since the works had been delivered and collected from the customers this year already.

1.4 Inventory

In the year 2010, the company had inventory as of amount 124.77 million baht, increased 31.31 million baht from the year 2009 with the amount of 93.64 million baht, since the order total from, customers increased in the year 2010, resulting the total production increased.

1.5 Other current assets

In the year 2010, the company had the other current assets as of amount 33.89 million baht, or calculated to 2.97% of total assets, increased 12.80 million baht, from the year 2009 with the amount of 21.09 million baht, with the causes from the following items.

Other current assets	Total financial statement		Increased (Decreased)
	Year 2010	Year 2009	
Value added tax debts	13.01	9.31	3.70
Advance payment	11.74	6.20	5.54
Pre-costs	3.05	3.46	-0.42
Others	6.09	2.11	3.98
Total	33.89	21.09	12.80

2. Non-current assets

2.1 Cash at financial institute with guarantee

In the year 2010, the company had cash in the financial institute as of amount 57.40 million baht or calculated as of 5.03 % of total assets increased as of amount 35 million baht when comparing to the year 2009 had the amount of 92.40 million baht or calculated as of 8.65% of total assets. Since the construction work at Pattani finished, the deposit could be withdrawn with burden of guarantee by the proportion of work delivered.

2.2 Other long term investment

In the year 2010, the company had other long term investment as of amount 360.42 million baht or calculated to 31.58% of total assets, increased 83.74 million baht from the year 2009 with the amount of 276.68 million baht or calculated to 25.89 % of total assets. Since the work during construction for development the immovable properties, 6 Fl building, Pattaya Dragon Project, the subsidiaries company had operated continuously from the year end of 2009 starting to construct, while such construction had been finished in the quarter of 3/2010 already.

2.3 Advance payment for stock subscription-net

In the quarter of 3/2010, the company had paid advance payment for the stocks as of amount 210 million baht to Parking Management Co., Ltd., for such company to spend as guarantee to issue the bank Guarantee Letter of a bank to enable to make the contract to the Airport Authority of Thailand in order to receive the right of management to the parking lot of Suwannabhumi Airport in the year 2010, and the company had set the allowance for money impairment of advance payment for the stock subscription in whole amount, since the opportunity to be refunded was little.

2.4 Land, building and equipment-net

In the year 2010, the company had net land, building and equipment as of amount 66.97 million baht or calculated to 5.87 % of total assets, comparing to the year 2009 with the amount of 71.89 million baht or calculated to 6.73 % of total assets, the company had brought the land and building to use as guarantee to the short term loads and Bank Guarantee to the commercial bank.

Liabilities and shareholders' equity

3. Liabilities

In the year 2010, the company had total liabilities as of amount 413.71 million baht, decreased 11.33 million baht from the year 2009 with total liabilities as of amount 425.04 million baht with the following details:

3.1 Account payable

In the year 2010, the company has account payable as of amount 83.88 million baht, increased as of amount 9.34 from the year 2009 with the amount as of 74.54 million baht. Since the company had construction projects in the year 2010 for 5 projects, it resulted to purchase material and raw material to use for construction, so the account payable increased from the past year.

3.2 Short term loans

In the year 2010, the company had short term loan as of amount 0.30 million baht, decreased as of amount 17.55 million baht from the year 2009 with the amount as of 17.85 million baht. Since the subsidiaries companies had brought the money from capital increase in the 1/2010 quarter to pay for the short term loans from related companies, minor shareholders and other companies as of amount 18 million baht.

3.3 Other current liabilities

In the year 2010, the company had other current liabilities as of amount 102.65 million baht, decreased as of amount 26.78 million baht from the year 2009 with the amount as of 129.43 million baht, the cause were from the following items:

Other current liabilities	Total financial statement		Increased (Decreased)
	Year 2010	Year 2009	
Accrued expenses	20.95	23.86	-2.91
Advance money from customers	17.78	39.12	-21.34
Accrued capital	30.92	40.60	-9.68
Deposit from tenants	-	4.67	-4.67
Other	33.00	21.18	11.82
Total	102.65	129.43	-26.78

3.4 Long term loan-net

In the year 2010, the company had long term loan as of amount 182.23 million baht increased as of amount 23.12 million baht from the year 2009 with the amount as of 159.11 million baht, since in the 3/2010 quarter, the subsidiaries companies had additional borrowed from financial institutes as of amount 35 million baht with the old long term loans paid in return as of amount 12 million baht, resulting the long term loans from financial institute increased as of amount 23 million baht.

4. Shareholders' equity

In the year 2010, the company had shareholders' equity as of amount 727.52 million baht increased 83.80 million baht or calculated to 13.02 % from the year 2009 with the shareholders' proportion as of amount 643.72 million baht. Since, in September 2010, the company has capital increased with paid-

up capital as of amount 2,817.36 million baht. Such shares issuance had been offered to the existing shareholders in the rate of 1 existing share per 3 new shares with par value for each as of 0.06 baht, which was the lower price than par value (par was 1 baht), so it caused lower value than share values to be increased as of amount 2,648,316,260 million baht, according to the resolution of extraordinary shareholders' meeting on 20 August 2010, while this year the company was in loss as of amount 89.78 million baht, the loss decreased from the past year as of amount 33.56 million baht.

Liquidation

The cash current from business operation activities were in deficit as of amount 118.42 million baht, since there were account payables with inventory of the company increased, with net cash current from the activities of investment which were in deficit as of amount 120.87 million baht. Since the subsidiaries companies had their investment in the assets during construction the 6FL building, Pattaya Dragon Project as of amount 105.67 million baht with net cash from the activities of financing as of amount 171.34 million baht. Since the cash was received from reissuance common stock from capital increase to the existing shareholders as of amount 170 million baht and the subsidiaries companies had borrowed from financial institutes increased as of amount 35 million baht. Therefore, on the day 31 December 2010, the company had balance of cash as of amount 162.77 million baht, comparing to the year 2009, there were cash current from operation activities as of amount 8.99 million baht, net cash from investment activities as of amount 152.97 which was in deficit and net cash obtained from the activities of financing as of amount 315.82 million baht.

Important liquidity ratio

At the end of 2010, the liquidity ratio was 2.41 times increased from the year 2009 with liquidity ratio of 2.06 times, while quick ratio of the company was 1.60 times increased from year 2009 with ratio as of 1.41 times.

Sources of fund

In the year 2010, the sources of fund for the company obtained from selling common stocks of capital increased to the existing shareholders as of amount 2,817,357,597 shares with each share price as of 0.06 baht including cash current obtained from customers from selling and services, at present the structure of shares of the company are as follows:

- Register capital 4,895,364,463 baht; consisting of shares 4,895,364,463 par value for each 1.00 baht.
- Paid-up capital 3,756,477,215 baht; consisting of shares 3,756,477,215 par value for each 1.00 baht.
- The Warrant to Purchase Common Stock No. 2 as of amount 140,768,648 Units

Remuneration for the auditor

According to the resolution of the general meeting of shareholders for the year 2010 on 23 April 2010 with the resolution to appoint Mr. Bunlert Kaewphanpruek, CPA No. 4165 from BPR Audit &

Advisor Co., Ltd., be an auditor for the company and the subsidiaries companies for the year 2010 with the remuneration for such auditing for specific company as of amount 850,000 baht and the subsidiaries companies as of amount 1,200,000 baht.

Report of the Audit Committee

Dear Shareholders:

Currently the Audit Committee comprises three independent directors, chaired by Major General Jiradej MokkaSmith, Mrs.Chuanpis Chaimuenvong, and Mr. Worapon Lopansri, as the committees, and all the audit committees are qualified as required by the Security and Exchange Commission (SEC) to work independently without holding shares of the Company. They have no participation in the management, nor are administrative officials, employees, consultants, partners or having the power to control the Company and its subsidiaries. They had no direct and indirect interests, including not being appointed to oversee the interests of the directors or major shareholders.

The Audit Committee has performed the duty according to the scope, duty and responsibility assigned by the board of directors, including verification of the financial reports to be correct sufficiently. It has verified the internal control and audit systems to be effective. There was verification on disclosure of information on the related items or items with conflict of interest to be correct and complete. It also selects and appoints the auditor, sets the remuneration for the auditor, including holding a joint meeting with the auditor a minimum of once a year without the management's participation. It also prepares a report to be revealed in the annual report, which all required by the Security and Exchange Act (No. 4) 2008.

In 2010 the Audit Committee convened four times including with the management, the quarterly meetings, the fiscal budget meeting, the external auditor meeting to verify the consolidated statement and the specific financial statement of the Company. The responsible management answered the inquiries before the Audit Committee gave opinions on the financial statement. The financial statement was prepared to comply with the generally accepted accounting principle correctly and reliably. There was a revelation of the important information completely, sufficiently and in time in the essence according to the opinion of the licensed auditor attached in the financial statement before submitting to the board of directors for approval. Moreover, the Audit Committee has verified the qualification of the auditor to comply with the notifications of the SEC. It has considered suitability of the auditor's remuneration, so it resolved to present to the board of directors for approval at the shareholders' meeting to appoint the auditor from company BPR Audit and Advisory Co.,Ltd. with

setting its remuneration for 2011 later. The Audit Committee has expressed its opinion that the Company had sufficient and suitable internal audit and no significant shortcomings found. There was a disclosure of information data to the outsiders sufficiently and compliance with the Securities and Exchange Act, the requirements of the Stock Exchange of Thailand (SET) and the relevant laws involving the Company's business correctly. It has also verified the related items, or the items that may have conflict of interest for accountability.



(Mr.Chamnan Chotcomwongse)

Chairman of Audit Committee

Report of the Board of Directors' Responsibility in Financial Statements

The Company's Board of Directors is responsible for financial statements of General Engineering Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr. Boonlert Kaewphanpurk the Certified Public Accountant from BPR Audit and advisory Co.,ltd. who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.


The Company's Board of Directors has appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 31 December 2010 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Amnat Tangurimarn)

Chairman of the Executive Committee



(Mr. Apinunthakan Pongsathabordee)

Vice Chairman of the Executive Committee

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of General Engineering Public Company Limited

I have audited the consolidated balance sheets of General Engineering Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the balance sheet of General Engineering Public Company Limited as at December 31, 2010 and 2009, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. The management of the Company is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respect, the consolidated financial position of General Engineering Public Company Limited and its subsidiaries as at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each the years then ended, and the financial position of General Engineering Public Company Limited as at December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.



(Mr. Boonlert Kaewphanpurk)

Certified Public Accountant

Registration No. 4165

BPR AUDIT AND ADVISORY CO.,LTD.

Bangkok

February 25, 2011

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		In Baht			
		Consolidated		The Company Only	
	Notes	2010	2009	2010	2009
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	162,772,410	230,717,035	161,043,971	221,196,638
Current investments	7	21,749,971	37,529,257	21,749,971	37,529,257
Trade accounts receivable - net	8	216,058,616	118,445,279	143,719,943	78,600,672
Unbilled construction work in progress	9	25,466,095	63,141,558	17,610,837	63,141,558
Receivable from and short-term loan to subsidiary	5	-	-	28,713,244	31,366,339
Current portion of long-term loan to subsidiary	5	-	-	-	15,740,644
Short - term loan to other (interest at 15% p.a.)		20,000,000	-	-	-
Inventories - net	10	124,768,371	93,461,043	124,614,284	93,310,154
Other current assets	11	33,894,369	21,096,371	20,596,175	13,160,511
Total current assets		604,709,832	564,390,543	518,048,425	554,045,773
NON – CURRENT ASSETS					
Deposits at financial institutions pledged as collateral	17, 28	57,400,000	92,400,000	56,000,000	91,000,000
Investments in subsidiaries and associated companies accounted for using the cost method - net	13	-	-	212,893,036	43,678,983
Other long-term investments	14	360,419,366	276,682,310	-	-
Advance payment for share subscription - net	12	-	-	-	-
Long-term loan to subsidiaries - net of current portion	5	-	-	-	-
Property, plant and equipment - net	15	66,971,927	71,887,589	59,840,344	64,749,946
Other non-current assets	16	51,722,389	63,392,780	46,063,879	60,859,320
Total non – current assets		536,513,682	504,362,679	374,797,259	260,288,249
TOTAL ASSETS		1,141,223,514	1,068,753,222	892,845,684	814,334,022

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009

	Notes	In Baht			
		Consolidated		The Company Only	
		2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	17	20,167,407	21,529,137	10,976,725	11,568,171
Trade accounts payable					
- Other companies		83,882,516	73,949,158	83,444,731	73,949,158
- Related parties	5	-	589,561	-	589,561
Current portion of long-term loan from financial institution	18	42,849,714	23,098,374	-	-
Payable to and short-term loans from related parties	5	-	2,521,947	5,041,588	175,338
Payable to and short-term loans from minority interests	5	297,975	6,843,688	-	-
Short-term loans from others		-	8,500,000	-	-
Current portion of liabilities under hire-purchase contracts	19	898,737	2,571,159	898,736	2,571,159
Other current liabilities	20	102,645,480	129,442,542	92,546,044	112,263,986
Total current liabilities		250,741,829	269,045,566	192,907,824	201,117,373
NON – CURRENT LIABILITIES					
Long-term loan from financial institution - net of current portion	18	139,378,716	136,014,070	-	-
Liabilities under hire-purchase contracts					
- net of current portion	19	675,969	2,246,553	675,969	2,246,553
Deferred leasehold right and rental income	14	8,581,138	9,600,680	-	-
Other non – current liabilities		14,330,389	8,129,121	14,330,389	8,129,121
Total non – current liabilities		162,966,212	155,990,424	15,006,358	10,375,674
Total liabilities		413,708,041	425,035,990	207,914,182	211,493,047
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 4,895,364,463 shares , Baht 1 par value in 2010					
Authorized share capital - 1,544,302,083 shares , Baht 1 par value in 2009	21	4,895,364,463	1,544,302,083	4,895,364,463	1,544,302,083
Issued and fully paid-up share capital					
- 3,756,477,215 shares in 2010 , Baht 1 par value					
- 939,119,199 shares in 2009, Baht 1 par value	21	3,756,477,215	939,119,199	3,756,477,215	939,119,199
Premium on share capital	22	31,729,260	31,729,260	31,729,260	31,729,260
Discount on share capital	21	(2,859,469,609)	(211,153,349)	(2,859,469,609)	(211,153,349)
Surplus on assets revaluation	22	36,350,964	37,566,316	31,659,254	32,874,606
Deficit		(247,054,868)	(158,493,957)	(275,464,618)	(189,728,741)
Equity attributable to owners of the parent - net		718,032,962	638,767,469	684,931,502	602,840,975
Minority interests of subsidiaries		9,482,511	4,949,763	-	-
Total shareholders' equity		727,515,473	643,717,232	684,931,502	602,840,975
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,141,223,514	1,068,753,222	892,845,684	814,334,022

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Notes	In Baht			
		Consolidated		The Company Only	
		2010	2009	2010	2009
REVENUES					
Revenue from sale of goods		693,235,170	439,182,459	693,235,170	439,182,459
Construction and installation services income		194,735,424	253,806,043	151,149,760	253,479,322
Real estate rental and leasehold right assignment income		58,401,184	31,094,000	-	-
Other income	5	11,318,244	8,224,876	16,028,638	8,738,162
Total Revenues		957,690,022	732,307,378	860,413,568	701,399,943
EXPENSES	5, 25				
Cost of sales of goods		601,595,072	365,931,998	601,595,072	365,931,998
Cost of construction and installation services		220,940,603	294,804,805	183,064,505	294,517,790
Cost of real estate rental and leasehold right assignment		25,334,877	17,889,473	-	-
Selling expenses		4,308,054	1,009,853	4,308,054	1,009,851
Administrative expenses		162,392,112	143,592,640	134,946,763	131,649,789
Management benefit expenses		22,747,710	26,423,499	22,747,710	26,423,499
Total Expenses		1,037,318,428	849,652,268	946,662,104	819,532,927
LOSS BEFORE FINANCE COSTS AND INCOME TAX		(79,628,406)	(117,344,890)	(86,248,536)	(118,132,984)
Finance costs		(9,016,069)	(4,858,786)	(702,693)	(684,152)
LOSS BEFORE INCOME TAX		(88,644,475)	(122,203,676)	(86,951,229)	(118,817,136)
Income tax		(51,235)	-	-	-
NET LOSS		(88,695,710)	(122,203,676)	(86,951,229)	(118,817,136)
Attributable to :					
Owners of the parent		(89,776,263)	(123,335,068)	(86,951,229)	(118,817,136)
Minority interests		1,080,553	1,131,392	-	-
		(88,695,710)	(122,203,676)	(86,951,229)	(118,817,136)
Loss per share (Baht)					
Basic and diluted	24	(0.05)	(0.24)	(0.05)	(0.23)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Notes	In Baht								
	Consolidated								
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Surplus on property revaluation	Unrealized loss on available-for-sale investments	Deficit	Equity attributable to owners of the parent-net	Minority interest of subsidiaries	Total
Balance as at January 1, 2010	939,119,199	31,729,260	(211,153,349)	37,566,316	-	(158,493,957)	638,767,469	4,949,763	643,717,232
Depreciation of assets revaluation surplus	-	-	-	(1,215,352)	-	1,215,352	-	-	-
Net gain (loss) recognised in equity	-	-	-	(1,215,352)	-	1,215,352	-	-	-
Equity from change of equity interest	-	-	-	-	-	-	-	3,452,195	3,452,195
Net profit (loss)	-	-	-	-	-	(89,776,263)	(89,776,263)	1,080,553	(88,695,710)
Net profit (loss) arising during the year	-	-	-	(1,215,352)	-	(88,560,911)	(89,776,263)	4,532,748	(85,243,515)
Increase of common shares	21 2,817,358,016	-	(2,648,316,260)	-	-	-	169,041,756	-	169,041,756
Balance as at December 31, 2010	3,756,477,215	31,729,260	(2,859,469,609)	36,350,964	-	(247,054,868)	718,032,962	9,482,511	727,515,473
Balance as at January 1, 2009	516,812,500	31,729,260	-	26,799,678	(15,290,072)	(36,202,747)	523,848,619	3,818,371	527,666,990
Depreciation of assets revaluation surplus	-	-	-	(1,043,858)	-	1,043,858	-	-	-
Net assets revaluation surplus	22 -	-	-	11,810,496	-	-	11,810,496	-	11,810,496
Gain on available-for-sale in investment recognized in equity	-	-	-	-	15,290,072	-	15,290,072	-	15,290,072
Net gain (loss) recognized in equity	-	-	-	10,766,638	15,290,072	1,043,858	27,100,568	-	27,100,568
Net profit (loss)	-	-	-	-	-	(123,335,068)	(123,335,068)	1,131,392	(122,203,676)
Net profit (loss) arising during the year	-	-	-	10,766,638	15,290,072	(122,291,210)	(96,234,500)	1,131,392	(95,103,108)
Increase of common shares	21 422,306,699	-	(211,153,349)	-	-	-	211,153,350	-	211,153,350
Balance as at December 31, 2009	939,119,199	31,729,260	(211,153,349)	37,566,316	-	(158,493,957)	638,767,469	4,949,763	643,717,232

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

		In Baht					
		The Company Only					
Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Surplus on property revaluation	Unrealized loss on available-for-sale investments	Deficit	Net
Balance as at January 1, 2010	939,119,199	31,729,260	(211,153,349)	32,874,606	-	(189,728,741)	602,840,975
Depreciation of assets revaluation surplus	-	-	-	(1,215,352)	-	1,215,352	-
Net gain (loss) recognized in equity	-	-	-	(1,215,352)	-	1,215,352	-
Net loss	-	-	-	-	-	(86,951,229)	(86,951,229)
Net profit (loss) arising during the year	-	-	-	(1,215,352)	-	(85,735,877)	(86,951,229)
Increase of common shares	21 2,817,358,016	-	(2,648,316,260)	-	-	-	169,041,756
Balance as at December 31, 2010	3,756,477,215	31,729,260	(2,859,469,609)	31,659,254	-	(275,464,618)	684,931,502
Balance as at January 1, 2009	516,812,500	31,729,260	-	23,295,968	(15,290,072)	(71,955,463)	484,592,193
Depreciation of assets revaluation surplus	-	-	-	(1,043,858)	-	1,043,858	-
Net assets revaluation surplus	22 -	-	-	10,622,496	-	-	10,622,496
Gain on available-for-sale in investment recognized in equity	-	-	-	-	15,290,072	-	15,290,072
Net gain (loss) recognized in equity	-	-	-	9,578,638	15,290,072	1,043,858	25,912,568
Net loss	-	-	-	-	-	(118,817,136)	(118,817,136)
Net profit (loss) arising during the year	-	-	-	9,578,638	15,290,072	(117,773,278)	(92,904,568)
Increase of common shares	21 422,306,699	-	(211,153,349)	-	-	-	211,153,350
Balance as at December 31, 2009	939,119,199	31,729,260	(211,153,349)	32,874,606	-	(189,728,741)	602,840,975

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	In Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(88,644,475)	(122,203,676)	(86,951,229)	(118,817,136)
Adjustments for				
Depreciation and amortization	32,309,017	26,643,084	10,374,133	12,200,234
Income from amortization of deferred leasehold right and rental income	(1,019,541)	(934,580)	-	-
Loss on value adjustment of current investments	22,804,853	11,267,391	22,804,854	11,267,391
Loss on disposals of other long-term investments	-	14,847,447	-	14,847,447
Loss on impairment of advanced payment for share subscription	20,000,000	-	20,000,000	-
Loss on impairment of advanced payment	1,401,869	-	1,401,869	-
Foreseeable losses from construction work	8,725,997	15,165,763	8,725,997	15,165,763
Provision for doubtful debts	3,534,923	20,280,474	3,534,923	20,280,474
Loss on slow-moving inventories (Reversal)	1,416,388	(511,526)	1,416,388	(511,526)
Reversal of impairment loss on investment in subsidiaries	-	-	(19,214,054)	(8,234,667)
Reversal of impairment loss on asset not used in operation	(732,822)	(10,056,750)	-	(10,146,750)
Gain on disposals of and written off assets	(142,416)	(933,014)	(140,567)	(933,014)
Loss from change of equity interest	3,452,196	-	-	-
Reversal of impairment loss on buildings	-	-	(732,822)	-
Interest income	(3,222,593)	(3,029,438)	(3,271,457)	(2,938,744)
Interest expense	9,016,069	6,308,871	702,693	684,782
Decrease (Increase) in operating assets:				
Trade accounts receivable	(101,148,260)	86,467,699	(68,654,194)	78,297,565
Receivable to related party	-	-	(414,022)	24,610
Inventories	(31,990,894)	81,469,024	(31,987,696)	81,619,913
Unbilled construction work in progress	37,675,463	(63,141,558)	45,530,721	(63,141,558)
Other current assets	(14,187,886)	(12,175,469)	(8,822,017)	(6,762,783)
Other non - current assets	11,670,395	(3,459,019)	14,795,441	(543,543)
Increase (Decrease) in operating liabilities :				
Trade accounts payable - other companies	9,933,358	(1,554,191)	9,495,573	(1,438,282)
Accounts payable - related parties	(589,561)	(6,984,895)	(589,560)	(6,984,895)
Other payable - related parties	338,197	26,750	4,866,250	(482,078)
Other current liabilities	(34,826,245)	(27,182,283)	(28,460,538)	(29,307,201)
Other non - current liabilities	6,201,268	3,631,288	6,201,267	3,631,288
Cash generated (paid) from operations	(108,024,700)	13,941,392	(99,388,047)	(12,222,710)
Income tax paid	(51,235)	-	-	-
Interest paid	(10,340,517)	(4,952,814)	10,182	(24,086)
Net Cash Provided by (Used in) Operating Activities	(118,416,452)	8,988,578	(99,377,865)	(12,246,796)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in deposits at financial institutions pledged as collateral	35,000,000	10,000,000	35,000,000	10,000,000
Increase in current investments	(7,025,567)	(32,974,959)	(7,025,567)	(32,974,959)
Proceeds from sales of long-term investments	-	7,967,624	-	7,967,624
Decrease (Increase) in short - term loan to subsidiaries	-	-	566,500	(10,970,000)
Current portion of long-term loan to subsidiary	-	-	15,740,643	96,300
Advance payment for share subscription	(20,000,000)	-	(20,000,000)	-
Purchases of investment in subsidiary	-	-	(150,000,000)	-
Short - term loan to other	(20,000,000)	-	-	-
Purchases of fixed assets	(6,550,507)	(2,510,592)	(6,550,507)	(2,510,592)
Proceeds from sales of fixed assets	164,486	2,299,065	162,617	2,299,065
Increase in other long-term investments	(105,665,905)	(140,755,313)	-	-
Interest received	3,210,611	3,002,863	5,756,558	1,450,322

Net Cash Used in Investing Activities

(120,866,882)	(152,971,312)	(126,349,756)	(24,642,240)
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GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	In Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-terms from financial institutions	(1,361,730)	(40,102,115)	(591,446)	(85,276)
Proceeds from short - term loan from related parties	(2,521,947)	-	-	-
Proceeds from short - term loan from minority interests	(5,560,000)	-	-	-
Proceeds from short - term loan from other company	(8,500,000)	-	-	-
Increase in long - term loan	23,115,986	150,112,444	-	-
Repayments of liabilities under hire - purchase and financial lease contracts	(2,875,356)	(5,346,215)	(2,875,356)	(5,346,215)
Proceeds from issuance of common shares	169,041,756	211,153,350	169,041,756	211,153,350
Net Cash Provided by Financing Activities	171,338,709	315,817,464	165,574,954	205,721,859
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,944,625)	171,834,730	(60,152,667)	168,832,823
Cash and Cash Equivalents-Beginning of Year	230,717,035	58,882,305	221,196,638	52,363,815
CASH AND CASH EQUIVALENTS-END OF YEAR	162,772,410	230,717,035	161,043,971	221,196,638

Supplemental Disclosure of Cash Flow Information

Non - cash items :

The Company has purchased fixed assets under financial lease contracts of Baht 1,244,000 in 2009

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements
December 31, 2010 and 2009

The financial statements were authorized for issue by the directors on February 25, 2011.

1. GENERAL INFORMATION

General Engineering Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 44/2 Moo 2 Tivanont Road, Bangkadee, Patumtanee 12000, Thailand.

The Company was listed on the Stock Exchange of Thailand in 1991.

The principal businesses of the Company are the manufacture of concrete products such as concrete pile, glassfiber reinforced concrete (GRC), electric concrete pile, diaphragm wall and barrette pile, with the construction and installation services for such products for residences.

The consolidated financial statements as at December 31, 2010 and 2009, include the accounts of The Company and its subsidiaries which the Company has controlling power or directly and indirectly holdings on those subsidiaries as follows :

Name of Companies	Type of business	In Thousand Baht		Percentage of direct and indirect holdings (%)	
		Paid-up share capital			
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Chut Chieb Co., Ltd.	Rental of real estate	220,000	70,000	95.45	85.71
G.E.L.General Engineering Service Co., Ltd.	Rental service and installation of precast concrete	14,000	14,000	99.99	99.99

All significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

The financial statements issued for Thai reporting purposed are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federal of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The financial statements are presented in Thai Baht unless otherwise stated. They are prepared on the historical cost basis except for the investment properties and certain financial assets and liabilities which are stated at fair value.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3. NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions has issued the Notifications of Federation of Accounting Professions No. 17/2553 dated April 9, 2010, announced in the Royal Gazette on May 26, 2010; and No. 50-55/2553 dated November 24, 2010, announced in the Royal Gazette on December 15, 2010, regarding the Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRIC) that have been effective as follows:

- a) Immediately effective
Accounting Framework (Revised 2009)
 - b) Effective for the period beginning on or after January 1, 2011
- | | |
|-----------------------|---|
| TAS 1(Revised 2009) | Presentation of Financial Statements |
| TAS 2 (Revised 2009) | Inventories |
| TAS 7 (Revised 2009) | Statement of Cash Flows |
| TAS 8 (Revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (Revised 2009) | Events after the Reporting Period |
| TAS 11 (Revised 2009) | Construction Contracts |
| TAS 16 (Revised 2009) | Property, Plant and Equipment |
| TAS 17 (Revised 2009) | Leases |
| TAS 18 (Revised 2009) | Revenue |
| TAS 19 | Employee Benefits |
| TAS 23 (Revised 2009) | Borrowing Costs |
| TAS 24 (Revised 2009) | Related Party Disclosures |
| TAS 26 | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (Revised 2009) | Consolidated and Separate Financial Statements |
| TAS 28 (Revised 2009) | Investments in Associates |
| TAS 29 | Financial Reporting in Hyperinflationary Economies |
| TAS 31 (Revised 2009) | Interests in Joint Ventures |
| TAS 33 (Revised 2009) | Earnings per Share |
| TAS 34 (Revised 2009) | Interim Financial Reporting |
| TAS 36 (Revised 2009) | Impairment of Assets |
| TAS 37 (Revised 2009) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (Revised 2009) | Intangible Assets |
| TAS 40 (Revised 2009) | Investment Property |
| TFRS 2 (Revised 2009) | Share-based Payment |
| TFRS 3 (Revised 2009) | Business Combinations |
| TFRS 5 (Revised 2009) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 | Exploration for and Evaluation of Mineral Resources |
| TFRIC 15 | Agreements for the Construction of Real Estate |

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

c) Effective for the period beginning on or after January 1, 2013

TAS 12	Income tax
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Management is presently considering the potential initial impact of these new and revised TAS, TFRS and TFRIC on the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements relate to the Company and its subsidiaries.

Significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those companies in which the Company and its subsidiaries have significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company and its subsidiaries' share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company and its subsidiaries' share of losses exceeds its interest in an associate, the Company and its subsidiaries' carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of an associate.

Foreign Currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions. Non-monetary assets and liabilities

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measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Cash and Cash Equivalents

Cash and cash equivalents as shown in statement of cash flows consist of cash in hand, cheque in-transit, deposits at financial institutions and fixed deposit and current investment with a maturity period not over 3 months since it is acquired except for cash at bank held as collateral.

Trade Accounts Receivable

Trade accounts receivable is stated their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of the existing receivables. Bad debts are written off when incurred.

Inventories

Raw materials, spare parts and finished goods

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of income.

Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity.

Equity securities which are not marketable are stated at cost less impairment losses.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

If the Company and its subsidiaries dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

Other investments in leasehold rights and buildings for lease

Other investments in leasehold rights and buildings for lease are land leasehold rights and buildings thereon, which are held for lease, stated at fair value accumulated depreciation and amortization and impairment losses. Construction in progress is stated at cost.

Depreciation and amortization are charged to the statements of income by a straight-line basis over the remaining land leasehold right period of 15 years, expiring on June 30, 2019.

Property, Plant and Equipment and Depreciation

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for the land and buildings and related improvements which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation calculated from its fair value and impairment loss.

Leased assets

Leases in terms of which the Company and its subsidiaries substantially assume all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase in value, on revaluation, is credited to equity under the heading "revaluation surplus" unless it offsets a previous decrease in value recognised in the statement of income in respect of the same asset. A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in equity in respect of the same asset. Upon disposal of a revalued asset, any remaining related

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revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

The carrying value of any asset reclassified as a non-operating asset held for sale is credited with the remaining balance of amounts previously taken to the revaluation reserve in respect of that asset.

Depreciations

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 20 years
Buildings on rental land and leasehold building improvements	upon the period of lease contracts
Machine and equipments	5 years
Furniture, fixtures and office equipments	5 years
Vehicles	5 years

No depreciation has been provided for land and construction in process.

Assets not used in operations

Assets not used in operations are stated at carrying amount at the date when the assets are foreclosed from trade receivables or are retired from active use, less impairment losses.

Intangible assets

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Company and its subsidiaries' share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Company and its subsidiaries' share of the identifiable net assets acquired over the cost of acquisition.

Goodwill is stated at cost. Negative goodwill is recognised immediately in the statement of income.

Amortization

Amortization is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated economic useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite economic useful life are not amortized but are systematically tested for impairment at each balance sheet date. The estimated economic useful lives are as follows:

Software licenses	3	years
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Impairment of Assets

The carrying amounts of the Company and its subsidiaries assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount of the Company and subsidiaries's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of income, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. However, an impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference

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between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

Trade and Other Accounts Payable

Trade and other accounts payable are stated at cost.

Employee Benefit

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

Provisions

A provision is recognised in the balance sheet when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue from sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Service income from construction and installation contracts

When the outcome of a construction and installation contract can be estimated reliably, contract revenues and costs are recognised in the statement of income by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. When it is probable that total contract costs will exceed total contract revenues, the expected loss is recognised immediately as an expense in the statement of income.

Rental and related service income

Rental and related service income from leasehold right is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

However, the Company and its subsidiaries will stop recognizing its rental and related service income from leasehold right when the customers are overdue more than 6 months.

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Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Company and its subsidiaries right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

Income Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Loss per Share

Loss per share is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. (amount 1,880,811,467 shares in 2010 and amount 521,440,519 shares in 2009)

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5. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related companies are as follows:

Name of Companies	Type of business	Type of relationship
Chut Chieb Co., Ltd.	Real estate rental service	Subsidiaries
G.E.L. General Engineering Service Co., Ltd.	Rental service and installation	Subsidiaries
Prinda Public Company Limited	Distribution of sand rock for construction	Associate
Thai Philatex Planner Co., Ltd.	Rehabilitation planner	Co-directors
Chiangmai New Lux Co., Ltd.	Provider of rent and service of assets	Co-directors
Aqua Corporation Public Company Limited	Service for advertising board, Billboard, Neon Light, Advertising media and publishing	Co-directors Ended October 12, 2010
Mida Assets Public Company Limited	Sale and lease electronic appliances, mobile phones and vehicles and property development business	Co-directors Ended October 4, 2010

Pricing policies for each transaction are described as follows:

	Pricing policies
Revenue from services	Negotiated price
Rental income	Negotiated price
Management Income	Negotiated price
Interest income	4.0% - 12.0% p.a.
Purchase of raw materials	Market price
Service charges	Negotiated price
Rental expense	Negotiated price
Management fee	Negotiated price
Interest expense	4.0% - 12.0% p.a.

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Significant revenues and expenses derived from transactions with related companies for the years ended December 31, 2010 and 2009 are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Purchase of raw materials				
Prinda Public Company Limited	1,663	8,280	1,663	8,280
Management Fee				
Aqua Corporation Public Company Limited	1,133	1,503	1,133	1,503
Rental expense				
G.E.L. General Engineering Service Co., Ltd.	-	-	491	491
Interest expense				
Aqua Corporation Public Company Limited	89	-	89	-
Rental Income				
Aqua Corporation Public Company Limited	27	-	27	-
Service income and other				
G.E.L. General Engineering Service Co., Ltd.	-	-	300	693
Chut Chieb Co., Ltd.	-	-	36	36
Prinda Public Company Limited	-	-	-	-
	-	-	336	729
Management Income				
G.E.L. General Engineering Service Co., Ltd.	-	-	4,596	-
Interest income				
Chut Chieb Co., Ltd.	-	-	607	1,449
G.E.L. General Engineering Service Co., Ltd.	-	-	294	-
Mida Assets Public Company Limited	17	-	17	-
	17	-	918	1,449

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Significant outstanding balances with its related companies as at December 31, 2010 and 2009, are summarized as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Receivables and short-term loan to related party				
Other receivable				
G.E.L. General Engineering Service Co., Ltd.	-	-	467	27
Chut Chieb Co., Ltd.	-	-	6	32
	-	-	473	59
Short-term loan to related party and accrued interest				
Chut Chieb Co., Ltd.				
Short-term loan	-	-	19,000	27,966
Accrued interest	-	-	589	3,341
	-	-	19,589	31,307
G.E.L. General Engineering Service Co., Ltd.				
Short-term loan	-	-	8,400	-
Accrued interest	-	-	251	-
	-	-	8,651	-
	-	-	28,713	31,366
Long-term loan				
Chut Chieb Co., Ltd.	-	-	-	15,741
Less Current portion	-	-	-	(15,741)
Net	-	-	-	-
Trade accounts payable				
Prinda Public Company Limited	-	590	-	590
Payables and short-term loan				
Other accounts payable				
Aqua Corporation Public Company Limited	-	134	-	134
G.E.L. General Engineering Service Co., Ltd.	-	-	5,042	41
	-	134	5,042	175
Short-term loan				
Chiangmai New Lux Co., Ltd.	-	1,050	-	-
Thai Philatex Planner Co., Ltd.	-	1,000	-	-
	-	2,050	-	-
Accrued interest				
Thai Philatex Planner Co., Ltd.	-	273	-	-
Chiangmai New Lux Co., Ltd.	-	65	-	-
	-	338	-	-
	-	2,522	5,042	175

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December 31, 2010 and 2009

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Payables and short-term loan				
Minority interests of Chut Chieb Co.,Ltd.				
Short-term loan	-	5,560	-	-
Accrued interest	298	1,284	-	-
	<u>298</u>	<u>6,844</u>	<u>-</u>	<u>-</u>

The significant movements of short-term loans and long-term loans to related parties during the year are as follows:

	In Thousand Baht			
	The Company Only			December 31, 2010
	December 31, 2009	Increase	Decrease	
Short-term loan to subsidiaries				
Chut Chieb Co., Ltd.	27,966	19,000	27,966	19,000
G.E.L. General Engineering Service Co., Ltd.	-	16,100	7,700	8,400
	<u>27,966</u>	<u>35,100</u>	<u>35,666</u>	<u>27,400</u>
Short-term loan to related parties				
Mida Assets Public Company Limited	-	80,000	80,000	-
Long-term loan to subsidiaries				
Chut Chieb Co., Ltd.	<u>15,741</u>	<u>-</u>	<u>15,741</u>	<u>-</u>

The significant movements of short-term loans from related parties during the year are as follows:

	In Thousand Baht			
	Consolidated			December 31, 2010
	December 31, 2009	Increase	Decrease	
Short-term loan from related parties				
Aqua Corporation Public Company Limited	-	15,000	15,000	-
Chiangmai New Lux Co., Ltd.	1,050	-	1,050	-
Thai Philatex Planner Co., Ltd.	1,000	-	1,000	-
	<u>2,050</u>	<u>15,000</u>	<u>17,050</u>	<u>-</u>
Short-term loan from minority of subsidiary				
Chut Chieb Co., Ltd.	<u>5,560</u>	<u>-</u>	<u>5,560</u>	<u>-</u>
	<u>7,610</u>	<u>15,000</u>	<u>22,610</u>	<u>-</u>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Cash on hand	284	235	278	229
Deposits at financial institutions	161,194	224,416	159,480	220,968
Highly liquid short-term investment	1,294	6,066	1,286	-
Total	<u>162,772</u>	<u>230,717</u>	<u>161,044</u>	<u>221,197</u>

7. OTHER INVESTMENTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Current investments				
Held-for-trading equity securities	<u>21,750</u>	<u>37,529</u>	<u>21,750</u>	<u>37,529</u>

Movements during the years ended December 31, 2010 and 2009 of other investments are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Current investments				
Held-for-trading securities				
Beginning balance	37,529	13,500	37,529	13,500
Purchases during the period	7,026	40,495	7,026	40,495
Sales during the period	-	(5,207)	-	(5,207)
Unrealized loss	<u>(22,805)</u>	<u>(11,259)</u>	<u>(22,805)</u>	<u>(11,259)</u>
Ending balance	<u>21,750</u>	<u>37,529</u>	<u>21,750</u>	<u>37,529</u>
Other long-term investments				
Available-for-sale securities				
Beginning balance	-	7,525	-	7,525
Sales during the period	-	(7,525)	-	(7,525)
Loss recognised in equity	-	-	-	-
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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8. TRADE ACCOUNTS RECEIVABLE - NET

As at December 31, 2010 and 2009, the Company and its subsidiaries have outstanding balances of trade accounts receivable as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Trade accounts receivable	262,730	161,581	190,391	121,737
Less allowance for doubtful accounts	(46,671)	(43,136)	(46,671)	(43,136)
Net	<u>216,059</u>	<u>118,445</u>	<u>143,720</u>	<u>78,601</u>

Trade accounts receivable as shown above include retention receivable on contracts as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Retention receivable	<u>23,934</u>	<u>13,937</u>	<u>23,934</u>	<u>13,937</u>

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The balances of trade accounts receivable classified by aging are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Trade receivables from leasehold right for investment				
Unbilled receivables	52,400	39,829	-	-
Billed receivables				
Not yet due	-	-	-	-
Past due 1 – 3 months	15,181	-	-	-
Past due 4 – 6 months	4,406	-	-	-
Past due 7 – 12 months	-	-	-	-
Past due over 12 months	-	-	-	-
	<u>71,987</u>	<u>39,829</u>	<u>-</u>	<u>-</u>
Receivables from construction and installation services				
Retention receivables- Not yet due	10,305	15	10,305	-
Retention receivables- Past due over 12 months	6,801	6,801	6,801	6,801
Billed receivables				
Not yet due	6,352	201	6,000	201
Past due 1 – 3 months	26,781	75	26,781	75
Past due 4 – 6 months	5,192	18	5,192	18
Past due 7 – 12 months	600	-	600	-
Past due over 12 months	16,533	16,454	16,533	16,454
	<u>72,564</u>	<u>23,564</u>	<u>72,212</u>	<u>23,549</u>
Receivables from sales of concrete products				
Retention receivables- Not yet due	5,997	5,983	5,997	5,983
Retention receivables- Past due over 12 months	831	1,153	831	1,153
Billed receivables				
Not yet due	68,533	21,972	68,533	21,972
Past due 1 – 3 months	18,288	40,741	18,288	40,741
Past due 4 – 6 months	1,527	9,797	1,527	9,797
Past due 7 – 12 months	1,701	1,843	1,701	1,843
Past due over 12 months	21,302	16,699	21,302	16,699
	<u>118,179</u>	<u>98,188</u>	<u>118,179</u>	<u>98,188</u>
Total	262,730	161,581	190,391	121,737
Less allowance for doubtful accounts	(46,671)	(43,136)	(46,671)	(43,136)
Trade accounts receivable - net	<u>216,059</u>	<u>118,445</u>	<u>143,720</u>	<u>78,601</u>

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The normal credit term granted by the Company ranges from 30 days to 60 days.

The Management believes that the allowance for doubtful accounts is adequate to cover any possible losses which may arise from the non-collectible receivables.

9. UNBILLED CONSTRUCTION WORK IN PROGRESS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Total contract value	696,513	447,337	652,988	447,337
Construction income	508,461	320,236	465,843	320,236
Installment billed	(482,995)	(257,094)	(448,232)	(257,094)
Net	25,466	63,142	17,611	63,142

10. INVENTORIES - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Finished goods	62,471	56,673	62,471	56,673
Work in progress	16,624	15,778	16,470	15,627
Raw materials	51,516	26,647	51,516	26,647
	130,611	99,098	130,457	98,947
Less allowance for slow - moving inventories	(5,843)	(5,637)	(5,843)	(5,637)
Net	124,768	93,461	124,614	93,310

11. OTHER CURRENT ASSETS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Receivables revenue	13,007	9,319	-	1,712
Receivables deposit	11,745	6,206	11,740	6,201
Prepaid expenses	3,048	3,459	3,036	3,438
Other	6,094	2,112	5,820	1,809
Total	33,894	21,096	20,596	13,160

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12. ADVANCE PAYMENT FOR SHARE SUBSCRIPTION

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Advance payment for share subscription	20,000	-	20,000	-
Less allowance for impairment of advance payment for share subscription	(20,000)	-	(20,000)	-
Net	-	-	-	-

On April 27, 2010, the Board of Director' Meeting of the Company had a resolution to purchase the common shares of capital increase of Parking Management Company Limited (PKM), totaling 400,000 shares, 100 Baht per share, total amount of Baht 40 million. In April, 2010, the Company paid advance payment for share subscription amount of Baht 20 million for PKM pledged it as guarantee with a bank for issuing the bank guarantee for signing the contract with Airports of Thailand Public Company Limited to obtain a right to operate the parking at Suvarnabhumi Airport.

On September 16, 2010, the Company disclosed that the Company is in the process to consider whether to continue investing in PKM or to refund its advance for share subscription of Baht 20 million. On October 7, 2010, the Company disclosed that on October 11, 2010, the Company will have a meeting with PKM to find a solution of concession management in order that the Company can decide whether to continue investing or to stop its investing. Subsequently, there are news appeared on newspapers and other medias effected to the operation of PKM which may affect to the investing of the Company.

On October 13, 2010, the Board of Director' Meeting of the Company had a resolution to stop its investing in PKM and the process to claim for the damage from partners of contract of such case.

On January 21, 2011, the Board of Director's Meeting of the Company had a resolution to set up the allowance for loss on impairment of advance payment for share subscription, totalling amount of Baht 20 million in the financial statements of the Company for the year ended December 31, 2010 because of the possibility of collection was remote.

**GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****Notes to Financial Statements (Continued)****December 31, 2010 and 2009****13. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES ACCOUNTED FOR USING THE COST METHOD-NET**

In Thousand Baht									
Consolidated									
Percentage of holdings		Paid – up share capital		At cost		Impairment		Net	
December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009
Associated company Prinda Public Company Limited	17.39	17.39	23,000	23,000	87,126	87,126	(87,126)	(87,126)	-



GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

	In Thousand Baht									
	The Company Only									
	Percentage of holdings		Paid – up share capital		At cost		Impairment		Net	
	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009
Subsidiary companies										
G.E.L. General Engineering Service Co., Ltd.	99.99	99.99	14,000	14,000	13,999	13,999	-	-	13,999	13,999
Chut Chieb Co., Ltd.	95.45	85.71	220,000	70,000	210,000	60,000	(11,106)	(30,320)	198,894	29,680
Associated company										
Prinda Public Company Limited	17.39	17.39	23,000	23,000	87,126	87,126	(87,126)	(87,126)	-	-
					<u>311,125</u>	<u>161,125</u>	<u>(98,232)</u>	<u>(117,446)</u>	<u>212,893</u>	<u>43,679</u>

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

14. OTHER LONG - TERM FOR INVESTMENTS

As at December 31, 2010 and 2009, these consisted of :

	Thousand Baht			
	Consolidated			
	Leasehold right and building thereon for rent (At fair value)	6 floor building and building improvement for Pattaya Dragon Project (At cost)	Leasehold improvement for 6 floor building for Pattaya Dragon Project (At cost)	Total
As at January 1, 2009	214,049	-	-	214,049
Increase	-	-	140,755	140,755
As at December 31, 2009	214,049	-	140,755	354,804
Increase	-	246,421	105,666	352,087
Decrease	-	-	(246,421)	(246,421)
As at December 31,2010	214,049	246,421	-	460,470
Accumulated depreciation and amortization				
As at January 1,2009	(63,733)	-	-	(63,733)
Depreciation and amortization charge for the year	(14,389)	-	-	(14,389)
As at December 31,2009	(78,122)	-	-	(78,122)
Depreciation and amortization charge for the year	(14,304)	(7,625)	-	(21,929)
As at December 31,2010	(92,426)	(7,625)	-	(100,051)
Net book value				
As at December 31,2009	135,927	-	140,755	276,682
As at December 31,2010	121,623	238,796	-	360,419

In preparation of the consolidated financial statements of the Company and subsidiaries, different value of fair value and its net book value of assets acquired of Baht 53.6 million from purchase of Chut Chieb Co.,Ltd. ("Chut Chieb") in 2003, included in fair value of land leasehold right and buildings thereon for rent.

This account includes 1) land leasehold right of the 3 plots of land, located at Pattaya Soi 2 Rd. T. Nongprue, A. Banglamung, Chonburi, total area of 23-0-87 rai, which is leasehold right from a transfer

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

of leasehold right – agreement from the third party. This agreement is for the period September 29, 2003 to June 30, 2019, totaling period of 15 years and 9 months. The total lease fee is Baht 109 million, renewable for another 10 years as described in the agreement. 2) Buildings for hotel operation (8 floor and 6 floor buildings) and buildings for “the Market Pattaya” and 3) leasehold improvement for 6 floor building for the project “Pattaya Dragon”. These buildings and its improvement are on the leasehold land. These are the assets of Chut Chieb, a company’s subsidiary.

On August 10, 2005, Chut Chieb entered into an agreement to grant a right in operating business by paying a compensation to Ban Beer Pattaya Co.,Ltd. (“Right Taker”) (“Ban Beer”). The right taker obtained a right to developing , managing, operating, constructing including use and utilize such land and buildings which are leasehold right for the rest of lease period 13 years and 11 months (From August 1,2005 to June 30,2019). The right taker agreed to pay a compensation as 1) compensation for the whole period of agreement of Baht 15 million paid to Chut Chieb at the agreement date and 2) monthly compensation due by 3 months installments, totaling Baht 419.7 million starting from August 2006 to June ,2019 (with 1 year grace period from August 2005 to July 2006). Under the agreement, the right taker agreed to develop such area within 5 years starting from August10, 2005. The right taker also paid a deposit of Baht 5 million to Chut Chieb to a guarantee for its development area as described in the agreement.

Chut Chieb obtained the compensation for the whole period of agreement of Baht 15 million from the right taker and recorded it as “ Deferred leasehold right and rental income” in the consolidated balance sheet, recognised as income for the period of leasehold right.

On October 6, 2009, Chut Chieb agreed for MOU to solve the issue of outstanding receivable of Ban Beer. Both parties agreed that Chut Chieb took the right back (transfer the right had no impact to the previous income of Chut Chieb) and Chut Chieb shall continue develop such project to be an entertainment complex of Pattaya.

On November 12, 2009, the Board of Directors of the Company, No. 10/2009 resolve that Chut Chieb invests in developing the construction, modifying, decorating buildings and structures of 6 floor buildings on leasehold land, totaling of Baht 233 million. Chut Chieb made a MOU with Ban Beer to finance and invest in operating of Pattaya Dragon project including operating such business, managing and developing land and buildings in Pattaya Dragon project. Such project is committed to pay construction payable as construction agreements made to the third parties and outstanding debt is Baht 153 million. Ban Beer agreed to Chat Chieb took back a right and duty according to each agreements made to other parties or seeking for a party on develop the project of 6 floor building on leasehold land can continue. Chut Chieb took a leasehold right back from Ban Beer with its outstanding construction payable of Baht 153 million, payable to a contractor and took a right on constructed assets and right to continue develop totaling of Baht 80 million.

Subsequently, December 21, 2009, Chut Chieb entered into an agreement to grant a right to operate by paying a compensation to 1) Koh Lan Land and Development Co.,Ltd. “Koh Lan” to be a new operation from February 1,2010 to June 30,2019. Under the agreement Koh Lan agreed to pay a compensation for use the right on leasehold land and buildings for the period of three months to Chut Chieb, totaling of Baht 334 million and 2) Meridian Pattaya Co.,Ltd. “Meridian” to be a right taker in operating the 6 floor building project which is renovated. Under the agreement, Meridian agreed to pay totaling compensation of Baht 490 million.The totaling compensation will be Baht 824 million. In order to reduce the risk of collectibility of Chut Chieb, both parties agreed that Chut Chieb take a collection debt of sub-lease agreement to third parties starting from May1, 2010 and pledged by shares of the company who will



GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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December 31, 2010 and 2009

operate the project, and also guarantee by the director of the Company operates the project as co-receivable in case of the loans obtained by Chut Chieb. The sources of funds of Chut Chieb derived from long-term loans of Baht 155 million and its capital of Baht 113 million. Chut Chieb agreed to grant a right in operating the 6 floor building project to the right taker starting on July 2010 and define a start period to the right taker for payment a compensation starting from August 2010 onward.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

15. PROPERTY , PLANT AND EQUIPMENT - NET

	In Thousand Baht							
	Consolidated							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
Balance as at January 1,2009	28,000	28,884	4,145	226,116	32,653	37,854	-	357,652
Acquisitions	-	-	-	1,152	1,358	1,244	-	3,754
Asset revaluation surplus	5,984	12,564	-	-	-	-	-	18,548
Disposals	-	-	-	(7,668)	(205)	(3,330)	-	(11,203)
Transfers in (out)	-	(320)	-	-	-	-	-	(320)
Balance as at December 31, 2009	33,984	41,128	4,145	219,600	33,806	35,768	-	368,431
Acquisitions	-	50	-	2,691	817	652	2,341	6,551
Disposals	-	-	-	-	(40)	(3,516)	-	(3,556)
Transfers in (out)	-	-	-	(8,204)	(439)	-	-	(8,643)
Balance as at December 31, 2010	33,984	41,178	4,145	214,087	34,144	32,904	2,341	362,783

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2010 and 2009

	In Thousand Baht						
	Consolidated						
	At appraised value		At cost				
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress
							Total
<u>Accumulated depreciation</u>							
Balance as at January 1,2009	-	16,123	580	217,469	29,494	24,085	-
Asset revaluation surplus	-	6,610	-	-	-	-	-
Depreciation for the year	-	3,442	420	3,248	1,239	3,905	-
Transfers in (out)	-	(234)	-	-	-	-	-
Depreciation for assets disposed	-	-	-	(7,668)	(205)	(1,965)	-
Balance as at December 31, 2009	-	25,941	1,000	213,049	30,528	26,025	-
Depreciation for the year	-	2,094	449	3,276	1,222	3,340	-
Transfers in (out)	-	-	-	(8,204)	(439)	-	-
Depreciation for assets disposed	-	-	-	-	(19)	(2,451)	-
Balance as at December 31, 2010	-	28,035	1,449	208,121	31,292	26,914	-
<u>Net book value</u>							
December 31, 2009	33,984	15,187	3,145	6,551	3,278	9,743	-
December 31, 2010	33,984	13,143	2,696	5,966	2,852	5,990	2,341
<u>Depreciations included in the statements of income for the year</u>							
2009							12,254
2010							10,381

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

	In Thousand Baht							
	The Company Only							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Cost								
Balance as at January 1,2009	22,060	28,884	4,145	217,505	31,879	36,859	-	341,332
Acquisitions	-	-	-	1,152	1,358	1,244	-	3,754
Asset revaluation surplus	4,796	12,564	-	-	-	-	-	17,360
Disposals	-	-	-	(7,668)	(205)	(3,331)	-	(11,204)
Transfers in (out)	-	(320)	-	-	-	-	-	(320)
Balance as at December 31, 2009	26,856	41,128	4,145	210,989	33,032	34,772	-	350,922
Acquisitions	-	50	-	2,691	817	652	2,341	6,551
Disposals	-	-	-	-	(40)	(3,516)	-	(3,556)
Balance as at December 31, 2010	26,856	41,178	4,145	213,680	33,809	31,908	2,341	353,917

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

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	In Thousand Baht							
	The Company Only							
	At appraised value		At cost					
	Land and land improvement	Buildings and Buildings improvement	Buildings on rented land and Leasehold building improvements	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Construction in progress	Total
Accumulated depreciation								
Balance as at January 1,2009	-	16,123	580	208,896	28,745	23,090	-	277,434
Asset revaluation surplus	-	6,610	-	-	-	-	-	6,610
Depreciation for the year	-	3,442	420	3,209	1,225	3,905	-	12,201
Transfers in (out)	-	(234)	-	-	-	-	-	(234)
Depreciation for assets disposed	-	-	-	(7,668)	(205)	(1,965)	-	(9,838)
Balance as at December 31, 2009	-	25,941	1,000	204,437	29,765	25,030	-	286,173
Depreciation for the year	-	2,094	449	3,276	1,215	3,340	-	10,374
Depreciation for assets disposed	-	-	-	-	(19)	(2,451)	-	(2,470)
Balance as at December 31, 2010	-	28,035	1,449	207,713	30,961	25,919	-	294,077
Net book value								
December 31, 2009	26,856	15,187	3,145	6,552	3,267	9,742	-	64,749
December 31, 2010	26,856	13,143	2,696	5,967	2,848	5,989	2,341	59,840
Depreciations included in the statements of income for the year								
2009								12,201
2010								10,374

As at December 31, 2010 and 2009. certain property and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 250.5 million and Baht 257.8 million (The Company only: Baht 248.8 million and Baht 245.1 million, respectively)

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

16. OTHER NON - CURRENT ASSETS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Assets not used in operations				
Land	52,080	52,080	51,180	51,180
Land improvement	2,984	2,984	2,984	2,984
Less allowance for impairment loss	(18,240)	(18,240)	(18,060)	(18,060)
Net	36,824	36,824	36,104	36,104
Buildings and Buildings improvement	320	2,258	320	2,258
Less accumulated depreciation	(234)	(541)	(234)	(541)
allowance for impairment loss	-	(1,631)	-	(1,631)
Net	86	86	86	86
Other equipment	59	59	-	-
Total assets not used in operations	36,969	36,969	36,190	36,190
Deposits and others	11,603	12,935	9,815	12,935
Income tax deducted at source	7,334	17,673	4,243	15,918
Less allowance for un-refundable deposit and other	(4,184)	(4,184)	(4,184)	(4,184)
Total	51,722	63,393	46,064	60,859

17. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Bank overdrafts	9,190	9,961	-	-
Short-term loans	10,000	10,000	10,000	10,000
Liabilities under trust receipts	977	1,568	977	1,568
Total	20,167	21,529	10,977	11,568

As at December 31, 2010, the Company and its subsidiaries had bank overdraft and short-term loan lines with local banks totaling Baht 22 million.

The credit facilities for the bank overdraft and short-term loans of Baht 12 million of the Company are collateralized by pledged its deposits at financial institutions of Baht 10 million and its land used in operations and land not used in operation and building thereon.

The credit facilities for bank overdraft of a subsidiary totaling Baht 10 million are secured by the collaterals as described in Note 18 to the financial statements.

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December 31, 2010 and 2009

18. LONG – TERM LOANS – NET

Long – term loans as at December 31, 2010 and 2009, consisted of :

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Loan	182,229	159,112	-	-
Less current portion of long-term loans	(42,850)	(23,098)	-	-
Net	<u>139,379</u>	<u>136,014</u>	<u>-</u>	<u>-</u>

In 2004 a subsidiary has a long-term loan agreement with a local bank for a loan of Baht 60 million. This loan bears interest at the rate of MLR (5.85% to 6.5% per annum in 2009) is repayable in monthly installments of Baht 1 million each commencing from October 31, 2004. This loan is collateralised by the subsidiary's leasehold right.

A subsidiary has a long-term loan agreement with a local bank for the 1st line of Baht 50 million and the 2nd line of Baht 120 million and overdraft line of Baht 10 million (as described in Note 17 to financial statements). A subsidiary had drawn such the first line of total amount for repayment the remaining long-term loan and short-term loan from a local bank, and had drawn of Baht 120 million for the second line. Such loans interest at MLR+1% per annum (6.85% - 7% p.a. in 2010 and 6.85% p.a. in 2009). For the first line repayable of principal and interest by 60 installments in every month, starting in November 2009 and for the second line repayable of interest in every month, starting in November 2009 to April 2010 and repayable of principal and interest by 54 installments, starting in May 2010.

On December 31, 2010, a subsidiary has an additional a long - term loan for the 2nd line of Baht 35 million. Such loan bears interest at MLR + 1% per annum (6.85% - 7% p.a. in 2010), repayable of principal and interest by 48 monthly installments in starting from September 2010.

The above credit facilities are secured by the major items as follows :

1. mortgaged land leasehold right and construction thereon of a subsidiary.
2. pledged common shares of a subsidiary held by the Company as 95.45% of share capital of a subsidiary.
3. guaranteed by a director of the right taker and Koh Lan Land and Development Co., Ltd.

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19. LIABILITIES UNDER HIRE – PURCHASE CONTRACTS

In Thousand Baht						
Consolidated						
2010			2009			
Principal	Interest	Payments	Principal	Interest	Payments	
Within 1 year	899	62	961	2,571	217	2,788
1 – 5 years	676	28	704	2,247	91	2,338
Total	1,575	90	1,665	4,818	308	5,126

In Thousand Baht						
The Company Only						
2010			2009			
Principal	Interest	Payments	Principal	Interest	Payments	
Within 1 year	899	62	961	2,571	217	2,788
1 – 5 years	676	28	704	2,247	91	2,338
Total	1,575	90	1,665	4,818	308	5,126

The Company entered into hire-purchase contracts with certain local companies to purchase vehicles, which are repayable in 36 to 48 equal monthly installments/rental charges. The ownership of the assets purchased under the hire-purchase contracts will be transferred to the Company when the last installment is paid.

20. OTHER CURRENT LIABILITIES

In Thousand Baht				
Consolidated		The Company Only		
2010	2009	2010	2009	
Accrued expenses	20,951	23,863	12,438	13,618
Advances received from customers	17,775	39,123	17,640	38,994
Accrued costs	30,920	40,600	30,920	40,600
Deposits from lease	-	4,673	-	-
Others	32,999	21,184	31,548	19,052
Total	102,645	129,443	92,546	112,264

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21. SHARE CAPITAL

	Par value (in Baht)	In Thousand Baht			
		Consolidated and The Company Only			
		2010		2009	
		Number	Baht	Number	Baht
Authorized					
At 1 January					
- ordinary shares	1.00	1,544,302	1,544,302	815,219	815,219
Decrease of capital	1.00	(126,008)	(126,008)	(60,000)	(60,000)
Increase of new shares	1.00	3,477,070	3,477,070	789,083	789,083
At 31 December					
- ordinary shares	1.00	4,895,364	4,895,364	1,544,302	1,544,302
Issued and paid					
At 1 January					
- ordinary shares	1.00	939,119	939,119	516,813	516,813
Increase of new shares	1.00	2,817,358	2,817,358	422,306	422,306
At 31 December					
- ordinary shares	1.00	3,756,477	3,756,477	939,119	939,119

At the Shareholders' Meeting held on April 23, 2009, the shareholders has resolved to decrease its authorized share capital from Baht 815,218,750 (divided into 815,218,750 shares at Baht 1 par value) to Baht 755,218,750 (divided into 755,218,750 shares at Baht 1 par value). This decrease in authorized share capital is registered with the Commercial Department on May 4, 2009.

At the Extraordinary General Shareholder Meeting held on November 18, 2009, the shareholder had resolved to increase the authorized share capital from Baht 755,218,750 to Baht 1,544,302,038 by issuing 789,083,333 ordinary shares of Baht 1 par value. On December 28, 2009, the Company registered the increase of its share capital with the Department of Business Development, Ministry of Commerce.

In December 2009, the shareholders paid Baht 211,153,350 for this new share issuance representing paid-up share capital of Baht 422,306,699 and discount on share of Baht 211,153,349.

At the Extraordinary General Shareholder Meeting held on August 20, 2010, the shareholders has resolved to decrease its authorized share capital from Baht 1,544,302,083 (divided into 1,544,302,083 shares at Baht 1 par value) to Baht 1,418,294,097 (divided into 1,418,294,097 shares at Baht 1 par value). This decrease in authorized share capital is registered with the Commercial Department on September 2, 2010.

At the Extraordinary General Shareholder Meeting held on August 20, 2010, the shareholder had resolved to increase the authorized share capital from Baht 1,418,294,097 to Baht 4,895,364,463 by issuing 3,477,070,366 ordinary shares of Baht 1 par value. On October 21, 2010, the Company registered the increase of its share capital with the Department of Business Development, Ministry of Commerce.

In September 2010, the shareholders paid Baht 169,041,756 for this new share issuance representing paid-up share capital of Baht 2,817,358,016 and discount on share of Baht 2,648,316,260.

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December 31, 2010 and 2009

22. PREMIUM ON SHARE CAPITAL AND LEGAL RESERVE

Premium on share capital

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“premium on share capital”). Premium on share capital is not available for dividend distribution.

Fair value changes and revaluation surpluses

Fair value changes and revaluation surpluses recognised in shareholders’ equity relate to cumulative net change in the fair value of available-for-sale investments and surpluses arising from the revaluations of freehold land.

As at December 31, 2010 and 2009, the fair value changes and revaluation surpluses consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Revaluation increment in land and building				
- Land and building used in operations	36,351	37,566	31,659	32,874

The Company engaged Brooke Real Estate Co., Ltd., a firm of independent professional appraisers, to reappraise the Company’s land and buildings used in operations and not used in operations. The appraisal reports were dated in December 2009, and the appraisals were made using the market comparison approach for land and replacement cost approach for buildings. As at December 31, 2009, the revaluation increment of land based on such appraisal reports amounted to Baht 6.0 million for the Company and its subsidiaries and Baht 4.8 million for the Company only and the revaluation increment of buildings amounted to Baht 5.9 million for the Company only. The Company and its subsidiaries recorded the revaluation increment of assets as part of “Revaluation surpluses on assets” under “Shareholders’ Equity” in the balance sheet as at December 31, 2009.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

23. WARRANTS

On December 25, 2009, the Company issued and offered warrants (GEN-W2) totaling 172,270,833 units to the existing shareholders whose name appears on the share register on November 26, 2009 at no cost at the ratio of 3 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand totaling 140,768,648 units and the outstanding 31,502,185 units had been cancelled and are identifiable and transferable. The term of the said warrants is 2 years commencing from December 25, 2009. The warrants can be exercised every six month. The first exercise date is on June 30, 2010 and the last exercise is on December 24, 2011. One warrant will be entitled to purchase 2.77966 new common share at the exercise price of Baht 0.359 per share, effective from December 30, 2010

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onward. However, the exercise ratio and price can be changed when there is a change in conditions of right definition.

As at December 31, 2010, the remaining of unexercised warrants (GEN-W2) were 140,768,648 units.

On September 30, 2005, the Company issued and offered warrants (GEN-W1) totaling 238,362,035 units to the existing shareholders whose name appears on the share register on September 30, 2005 at no cost at the ratio of 2 existing shares for one unit of warrant. The warrants are allowed to be traded in the Stock Exchange of Thailand and are identifiable and transferable. The term of the said warrants is 5 years commencing from September 30, 2005. The warrants can be exercised on 30th March and 30th September of every year. The first exercise date is on March 30, 2007 and the last exercise is on September 30, 2010. One warrant will be entitled to purchase 3.13640 new common share at the exercise price of Baht 0.717 per share.

As at December 31, 2010, the remaining of unexercised warrants (GEN-W1) were 238,361,901 units. The Company cancelled such warrants.

24. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share for the years ended December 31, 2010 and 2009 were based on the loss for the period attributable to equity holders of the Company and the number of common shares outstanding during the period as follows:

	In Thousand Baht/Thousand shares			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Loss attributable to equity holders of the Company (basic)	(89,776)	(123,335)	(86,951)	(118,817)
Weighted average number of common shares outstanding (basic)	1,880,811	521,441	1,880,811	521,441
Loss per share (basic) (Baht)	(0.05)	(0.24)	(0.05)	(0.23)

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Diluted loss per share

The calculations of diluted loss per share for each year ended December 31, 2010 and 2009 were based on the loss for the period attributable to equity holders of the Company and the weighted average number of common shares outstanding during the period after adjusting for the effects of all dilutive potential common shares as follows:

	In Thousand Baht/Thousand shares			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Loss attributable to equity holders of the Company (basic)	(89,776)	(123,335)	(86,951)	(118,817)
Loss attributable to equity holders of the Company (diluted)	(89,776)	(123,335)	(86,951)	(118,817)
Weighted average number of common shares outstanding (basic)	1,880,811	521,441	1,880,811	521,441
Weighted average number of common shares outstanding (diluted)	1,880,811	521,441	1,880,811	521,441
Loss per share (diluted) (Baht)	(0.05)	(0.24)	(0.05)	(0.23)

25. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2010 and 2009 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Changes in inventories of finished goods and work in progress	(6,645)	67,168	(6,642)	67,319
Raw materials and supplies used	471,239	274,938	471,223	274,846
Service fee	166,024	178,244	128,238	177,913
Employee benefits expenses	95,523	79,939	95,523	79,939
Labour cost	47,438	36,504	47,438	36,504
Installation cost	45,266	27,053	45,266	27,053
Depreciation and amortization	32,309	26,643	10,374	12,200
Transportation expenses	30,308	21,240	30,308	21,240
Loss on value adjustment of current investments	22,805	11,267	22,805	11,267
Management benefits expenses	22,748	26,424	22,748	26,424
Loss on impairment of advanced payment for share subscription	20,000	-	20,000	-
Foreseeable losses from construction work	8,726	15,166	8,726	15,166
Doubtful accounts	3,535	20,280	3,535	20,280

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	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Loss from change of equity interest	3,452	-	-	-
Loss on slow-moving inventories (Reversal)	1,416	(512)	1,416	(512)
Loss on impairment of advanced payment	1,402	-	1,402	-
Reversal of impairment loss on asset not used in operation	(733)	(10,057)	-	(10,147)
Reversal of impairment loss on investment in subsidiaries	-	-	(19,214)	(8,235)
Loss on disposals of other long-term investments	-	14,847	-	14,847
Other expenses	72,505	60,508	63,516	53,429
Total	<u>1,037,318</u>	<u>849,652</u>	<u>946,662</u>	<u>819,533</u>

26. SEGMENT INFORMATION

Segment information is presented in respect of the Company and its subsidiaries' business segments.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest and income tax expenses and corporate common assets and liabilities.

Business segments

The Company and its subsidiaries comprise the following main business segments:

- (a) Manufacturing and sales of concrete products.
- (b) Construction and installation service
- (c) Rental of real estate and related services.

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

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	In Thousand Baht									
	As at December 31									
	Manufacturing and sales of concrete products		Construction and installation services		Rental of real-estate and related services		Elimination		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from sales, rental and services	693,235	439,183	194,736	254,187	58,892	31,585	(491)	(872)	946,372	724,083
Other income									11,318	8,225
Total revenues									957,690	732,308
Costs of sales, rent and services	601,595	365,932	225,537	295,186	25,335	17,902	(4,596)	(394)	847,871	678,626
Selling and administrative expenses									189,448	171,026
Total expenses									1,037,319	849,652
Loss before finance costs and income tax expense									(79,629)	(117,344)
Finance costs									(9,016)	(4,859)
Income tax expense									(51)	-
Net loss									(88,696)	(122,203)

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Business segment financial positions

	In Thousand Baht									
	Manufacturing and sales of concrete products		Construction and installation services		Rental of real-estate and related services		Elimination		Consolidation	
	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009	December 31, 2010	December 31,2009
Trade accounts receivable - net	94,924	78,307	49,149	294	71,986	39,844	-	-	216,059	118,445
Inventories	108,144	85,144	16,624	8,317	-	-	-	-	124,768	93,461
Property, plant and equipment - net	59,840	64,750	-	-	7,132	7,138	-	-	66,972	71,888
Leasehold right for investment	-	-	-	-	329,896	242,568	30,523	34,114	360,419	276,682
Unallocated assets									373,006	508,277
Total assets									1,141,224	1,068,753

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27. Financial instruments

Financial risk management policies

The Company and its subsidiaries is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company and its subsidiaries does not hold or issue derivative financial instruments for speculative or trading purposes.

Liquidity risk

The Company and its subsidiaries monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company and its subsidiaries operations and to mitigate the effects of fluctuations in cash flows.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company and its subsidiaries as and when they fall due. This risk is controlled by the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is represented by the carrying amount of each financial asset in the balance sheet.

Foreign currency risk

The Company and its subsidiaries mainly operates locally but periodically imports raw material, giving rise to exposure to market risk from changes in foreign exchange rates. However, the management believes that the foreign exchange rate risk is minimal because the Company and its subsidiaries has insignificant import transactions in each year.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Company and its subsidiaries cash flows because loan interest rates are mainly floating. The Company and its subsidiaries is primarily exposed to interest rate cash flows risk from its borrowings. Interest rate risk will arise from a change of interest rates in the market.

As at December 31, 2010 and 2009, significant financial assets and financial liabilities exposed to value and cash flows risk arising from changes in interest rates are as follows:



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	In Thousand Baht									
	2010									
	Consolidated					The Company Only				
	Principal			Average Interest Rate (%)		Principal			Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Financial assets										
Cash at banks										
- saving deposits	162,916	-	162,916	0.25	-	161,041	-	161,041	0.25	-
- term deposits	1,295	-	1,295	0.75	-	1,286	-	1,286	0.75	-
Restricted term deposits at bank	57,400	-	57,400	0.50	-	56,000	-	56,000	0.50	-
Long-term loan receivable from related parties	-	-	-	-	-	-	27,400	27,400	-	4.00,12.00
Financial liabilities										
Overdrafts and short-term loans from financial institutions	10,168	10,000	20,168	4.00,7.25	2.50	977	10,000	10,977	4.00	2.50
Short-term loans from minority interests	-	298	298	-	4.00,5.00	-	-	-	-	-
Short-term loans from related parties and other	-	-	-	-	-	-	-	-	-	-
Long-term loans from financial institutions	182,229	-	182,229	6.91	-	-	-	-	-	-

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	In Thousand Baht									
	2009									
	Consolidated					The Company Only				
	Principal			Average Interest Rate (%)		Principal			Average Interest Rate (%)	
	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed	Floating Interest Rate	Fixed Interest Rate	Total	Floating	Fixed
Financial assets										
Cash at banks										
- saving deposits	223,697	-	223,697	0.25	-	220,899	-	220,899	0.25	-
- term deposits	6,066	-	6,066	0.50	-	-	-	-	-	-
Restricted term deposits at bank	92,400	-	92,400	0.50	-	91,000	-	91,000	0.50	-
Long-term loan receivable from related parties	-	-	-	-	-	-	43,707	43,707	-	4.00
Financial liabilities										
Overdrafts and short-term loans from financial institutions	9,961	10,000	19,961	6.15	2.50	1,568	10,000	11,568	6.15	2.50
Short-term loans from minority interests	-	5,560	5,560	-	4.00,5.00	-	-	-	-	-
Short-term loans from related parties and other	-	10,550	10,550	-	4.00,5.00	-	-	-	-	-
Long-term loans from financial institutions	159,112	-	159,112	6.85	-	-	-	-	-	-

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Fair values of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company and its subsidiaries takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

The Company and its subsidiaries used the following methods and assumptions in estimating the fair values of financial instruments as follows:

Cash and cash equivalents and deposits at financial institution pledged as collaterals

The fair value approximates the carrying amount stated in the balance sheets since interest on financial instruments approximates market interest rates.

Trade accounts receivable and payable

The carrying amount approximates fair value because of the short period to maturity of these financial instruments.

Investment in equity security

For investments in shares for which there are no quoted market price, the reasonable estimates of fair values have been calculated based on the underlying net asset base for such investments that approximate their carrying value.

Bank overdrafts and short-term loans from financial institutions

The carrying amounts of these financial liabilities stated in the financial statements approximate their fair value because these financial instruments mainly bear interest at the market rates.

Short-term loans from minority interests and related parties

The carrying amounts of these financial liabilities stated in the financial statements approximate their fair value because these financial instruments are payable on demand.

Long-term loan from financial institution

The Company is not able to estimate its fair value of long-term loan.

28. COMMITMENTS

As at December 31, 2010

- 28.1 The Company and its subsidiaries had commitments under contracts with customers for sale and service contracts for which goods or services have not been delivered or rendered to customers totaling approximately Baht 481.8 million. The Company and its subsidiaries do not expect to incur any significant loss on the said sales and service contracts.

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- 28.2 In connection with the debt restructuring agreements, the Company entered into lease agreements with the bank creditors for the lease back of land and factory thereon which were previously transferred to the creditors to settle the Company's liabilities. Under the lease agreement, The Company is committed to pay a monthly rental fee of Baht 0.4 million.
- 28.3 A subsidiary had a commitment under the land leasehold right transfer agreement with a local company, whereby the subsidiary is committed to pay a monthly rental charge for 15 years as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Non-cancellable operating lease commitments				
Within 1 year	6,780	6,780	-	-
1 - 5 years	30,360	36,330	-	-
After 5 years	29,400	29,400	-	-
Total	66,540	72,510	-	-
Unused letters of credits for goods and supplies	4,023	8,432	4,023	8,432
Bank guarantees not used	29,232	46,009	28,467	44,830
Total	33,255	54,441	32,490	53,262

However, the subsidiary assigned such leasehold right to a company for the same lease period and the compensation income under the assignment is charged for each year as detailed below:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Non-cancellable operating lease commitments				
Within 1 year	29,700	29,700	-	-
1-5 years	133,056	162,756	-	-
After 5 years	133,888	133,888	-	-
Total	296,644	326,344	-	-

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However, the subsidiary assigned a right in operating the 6 floor building project to a company for the same lease period and the compensation income under the assignment is charged for each year as detailed below:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Non-cancellable operating lease commitments				
Within 1 year	12,000	-	-	-
1-5 years	48,000	-	-	-
After 5 years	42,000	-	-	-
Total	102,000	-	-	-

However, the subsidiary assigned a right in operating the 6 floor building project to a company for the same lease period and the obtain for the compensation income for the investment cost in such building and construction in each year, details as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2010	2009	2010	2009
Non-cancellable operating lease commitments				
Within 1 year	84,000	-	-	-
1-5 years	287,000	-	-	-
After 5 years	-	-	-	-
Total	371,000	-	-	-

29. CONTINGENT LIABILITIES

As at December 31, 2010, The Company and a subsidiary were contingently liable for letters of guarantee issued by a bank to customers for the Company and its subsidiaries' performance bonds and for the use of electricity totaling approximately Baht 88 million. The land used and not used in operations together with the construction thereon of the Company, having a net book value of Baht 69.2 million as at December 31, 2010, and the Company's fixed deposits of Baht 46 million and Baht 1.4 million of subsidiary are pledged as collateral for such letters of guarantee.

30. EVENT AFTER BALANCE SHEET DATE

On January 25, 2011, the Board of Director's Meeting resolved

1) to decrease its authorized share capital Baht 747,598,263 from 4,895,364,463 Baht (divided into 4,895,364,463 shares at Baht 1 par value) to Baht 4,147,766,200 (divided into 4,147,766,200 share at Baht 1 par value).

2) to change the amount of shares and par value of the Company by decreasing the amount of shares from 4,147,766,200 shares at Baht 1par value to 414,776,620 shares at Baht 10 par value.

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3) to increase its authorized share capital from 414,776,620 shares at Baht 10 par value to 3,286,109,331 shares by issuing new common shares 2,871,332,711 shares at Baht 10 par value

3.1) to issue and to offer new common shares 1,878,238,610 shares at Baht 10 par value for the existing shareholders by shareholding proportion of subscription ratio of 1 existing share per 5 new shares at the offering price of share Baht 0.35, at Baht 10 par value.

3.2) to issue and to offer the warrants to purchase the common shares of the Company of not exceeding 939,119,305 shares to the existing shareholders of with the ratio of 2 new shares per unit for reserve for exercise of warrants (GEN-W3) to purchase common shares of 939,119,305 share at Baht 10 par value without any charge; anyhow, the warrant 1 unit can exercise the right to purchase the Company share 1 share at Baht 1.

3.3) the change of number of share, par value and when issuing new shares, effected to increase shares for reserve for adjusting the exercise of warrants(GEN-W3) to purchase common shares of 53,974,796 shares, at Baht 10 par value.

Such approval will be presented to an Extraordinary Shareholders' Meeting ask for an approval on March 7, 2011.

31. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2009 were reclassified to conform with those in the 2010 financial statements.